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Challenges For ASEAN As Laos and Burma Join

Strife in Cambodia Tops List of Problems Facing Asian Bloc

By Michael Richardson
International Herald Tribune

SUBANG JAYA, Malaysia — The Association of South East Asian Nations admitted two new members, Burma and Laos, on Wednesday, but some officials and analysts said the temporary exclusion of Cambodia, because of its internal conflict, was just one of several major challenges facing the group as it approaches its 30th anniversary Aug. 8.

Now close to achieving its goal of encompassing all 10 countries of Southeast Asia, ASEAN is finding that the twin pillars of its success — political and economic stability in the region — have been called into question.

"The challenge for ASEAN is how to remain robust and united," said S. Jayakumar, Singapore's foreign minister, at the ceremony to mark the admission of Burma and Laos. "ASEAN will be able to build on its strength if all the member countries continue to work closely together and if we remain cohesive."

The mystery of Pol Pot. Page 7.

But conflicting interests and values arising from enlargement may test ASEAN's political unity. For example, analysts said that Burma and Laos might join Vietnam in seeking recognition of Second Prime Minister Hun Sen's takeover of power in Cambodia as an accomplished fact and in seeking a quick end to suspension on admission for Phnom Penh.

Cambodia was to have become a full member along with Burma and Laos. All three had observer status before Wednesday.

Mr. Hun Sen rebuffed efforts Saturday by three ASEAN foreign ministers to broker a settlement of the violent political conflict he sparked there when he ousted First Prime Minister Norodom Ranariddh this month.

[ASEAN will resume efforts to resolve the crisis in Cambodia after a change of heart by Mr. Hun Sun, Foreign Minister Abdullah Ahmad Badawi of Malaysia said, Agence France-Presse reported Wednesday. That change of heart, he added, meant that Foreign Minister Ung Huot of Cambodia would be allowed to attend the annual meeting of ASEAN foreign ministers Thursday and Friday.

[Mr. Abdullah added that ASEAN would continue to recognize Prince Ranariddh as first prime minister but would not insist on his return to office as long as Cambodia maintained the coalition government set up after the UN-supervised elections in 1993.]

"Even as we proceed with ASEAN's expansion, we should remember that our goal is not simply to have ASEAN

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Mike Fiala/The Associated Press

Foreign Minister Abdullah Ahmad Badawi of Malaysia flanked by the Laotian foreign minister, Somsavat Lengsavat, left, and his Burmese counterpart, U Ohn Gyaw, at the ceremony Wednesday in Kuala Lumpur.

Jewish Suit Against Banks Goes On

Group Says Swiss Action in Publishing Names Will Not Close Issue

By Barry James
International Herald Tribune

A Jewish group fighting for the restitution of mislaid and stolen Holocaust-era assets said Wednesday that the publication by Swiss banks of the names of holders of dormant accounts would not halt a class-action lawsuit seeking billions of dollars in damages.

Rabbi Abraham Cooper, associate dean of the Simon Wiesenthal Center in Los Angeles, said there was "not a chance" the publication would result in the "closure the banks so desperately want."

The class-action lawsuit, brought by three consolidated groups of plaintiffs, is scheduled for a July 31 hearing in federal court in New York.

The Swiss government has filed a motion to dismiss the suit, but Mr. Cooper said he expected the court to take it on. If that happens, he said, the banks will be pressed to reveal not only the names of missing account holders but also the history of the banks' relationship with Nazi Germany, involving possibly billions of dollars worth of looted gold and other Nazi booty.

Mr. Cooper added that the banks had decided to release information about a relatively limited amount of money because "they realized the jig was up."

A bank failed to report the existence of accounts that may include Jewish assets. Page 4.

The banks say they have found 60 million Swiss francs ($40 million) in unclaimed deposits by foreigners before 1945.

Elan Steinberg, executive director of the World Jewish Congress in New York, said that with accumulated interest, the overall amount today could be many hundreds of millions of dollars. "We have mixed feelings," he said. "It should have happened 50 years ago. But it is a positive step and should be received as such."

He welcomed a decision to set up a subcommittee of the independent Volcker Commission to establish the actual value of the deposits. The commission, headed by Paul Volcker, former chairman of the U.S. Federal Reserve, recently began a pilot audit of 10 banks that will later be extended to all of Switzerland's nearly 500 banks.

In October, the banks plan to publish about 20,000 more names of holders of dormant accounts, those who were citizens or residents of Switzerland before 1945. Many of them are believed to have acted as proxies for Jews trying to find a haven for their savings.

Mr. Steinberg said he welcomed the

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In Prague, a List Brings Some Hope

By Peter S. Green
International Herald Tribune

PRAGUE — Stephan had heard that the names would be in the morning newspapers, so he walked down to his local supermarket on Wednesday with a vague sense of hope and anticipation.

For seven years, he had been working to recover the confiscated real estate of his late grandfather, a wealthy Czech Jew who had fled to England during World War II and whose wife and children had survived the Theresienstadt concentration camp.

Through the years, there had also been family discussions about cash assets in Switzerland that had been spirited out of Prague as the tide of anti-Semitism rose throughout Europe in the 1930s.

But any chance of recovering the money after the devastation of the war had been dismissed as impossible.

"My father told me and my grandfather told my father that before the war he was putting money in Swiss bank accounts," said Stephan. "There were all kinds of stories. Maybe my father believed him, but I thought it was all gone."

Leafing through the newspapers Wednesday morning, Stephan saw a list of 23 Czechs whose Swiss bank accounts had lain dormant and untouched since the end of the war, part of a list of some 2,000 names published for the first time by the Swiss Bankers Association in nearly 30 major newspapers around the world and on the Internet.

The list does not specify the amount of money in the accounts.

Halfway down the list of Czechs was the name of Stephan's grandfather, Helmut Hollas.

He quickly telephoned his mother, but she responded with fear and anxi-

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Europeans Agree To Boeing Merger

Concessions by U.S. Carrier More 'Gesture Than Substance'

By Tom Buerkle
International Herald Tribune

BRUSSELS — The European Commission gave a green light Wednesday to Boeing Co.'s acquisition of McDonnell Douglas Corp. after obtaining last-minute concessions that allowed European regulators to claim victory but did little to hinder Boeing in its global dogfight with Europe's Airbus Industrie consortium.

The acquisition, valued at around $14 billion, puts the onus on the four Airbus partners, in particular the French government, to respond to the American challenge by transforming the loose consortium into a single, integrated company capable of matching Boeing's low production costs and its full range of aircraft.

"The point is that the Americans are leaving us behind in the aerospace industry and aerospace technology as a result of this merger," the German foreign minister, Klaus Kinkel, said on German radio. "We must make a decision regarding European industry policy, and that can only mean that we strengthen Airbus."

Jacques Santer, president of the European Commission, said the agency would begin an urgent study of ways to strengthen the aerospace industry in the 15-nation European Union.

The agreement, and the high-level brinkmanship that preceded it, also highlighted the need for antitrust regulators around the world to improve cooperation or face more clashes in an era when companies make deals with scant regard for national borders.

The World Trade Organization has only begun to address the subject, and major nations are sharply divided. Washington argues that regulators should give priority to consumers' interests, while Europe tends to focus on the interests of producers.

"We should have a frank discussion across the ocean," said Karel Van Miert, the EU competition commissioner who negotiated the agreement with Boeing.

There were signs of lingering irritation on both sides of the Atlantic over the case, which was settled only after high-level lobbying that included personal telephone calls from President Bill Clinton to Prime Minister Jean-Claude Juncker of Luxembourg, the current holder of the EU presidency, and Prime Minister Romano Prodi of Italy, sources said.

In France, Pierre Moscovici, the minister for European affairs, called Boeing's offer incomplete, while an Airbus spokesman criticized the "arrogant and confrontational attitude of the U.S.A.," Reuters reported.

Meanwhile, Boeing executives confirmed that senior U.S. officials had pressed the company to make concessions to avert a trade war. "There has been dialogue," said Richard Albrecht, the executive vice president who negotiated the deal for Boeing.

Most officials welcomed the accord, and Mr. Van Miert insisted that the commission would endorse the agree-

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Oliver Multy/Agence France-Presse

Richard Albrecht, vice president of Boeing, in Brussels on Wednesday.

Protestants Reject Plan For Disarming Ulster Groups

By James F. Clarity
New York Times Service

BELFAST — The main Protestant political parties on Wednesday rejected a proposal by the British and Irish governments for the disarmament of the Irish Republican Army and of Protestant paramilitary groups.

But British and Irish officials said that though the rejection, which had been expected and announced in advance, was a setback, it would not kill Northern Ireland peace negotiations and that a formal round of talks would begin, as scheduled, on Sept. 15.

The officials pointed out that the Ulster Unionist Party, the largest of the Protestant parties in this predominantly Protestant British province; said that while they rejected the disarmament proposals Wednesday, they would continue to talk to the government to work out a compromise.

The unionists, who represent about 57 percent of the population, wanted the proposal to stipulate that once the talks began, the IRA, which is overwhelmingly Roman Catholic, would start to disarm.

The IRA's new cease-fire, which went into effect Sunday, is expected to gain a place in the September talks for the organization's political wing, Sinn Fein.

The government proposal says only that disarmament would be discussed during talks, with no guarantee of actual disarmament.

Voting against the proposal were the Ulster Unionist Party, the Democratic Unionist Party and the UK Unionist party. Two smaller Protestant parties, with links to paramilitary groups, abstained. The predominantly Catholic, mainstream Social Democratic and Labor Party voted in favor, as did several smaller groups.

Seamus Mallon, a member of the British Parliament and a leader of the Social Democrats, said the rejection was a "ma-

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As Oil Dries Up, Qatar Stakes Economic Future on Natural Gas

By Douglas Jehl
New York Times Service

RAS LAFFAN, Qatar — Beneath the warm and shallow waters of the Gulf, in a vast pool that extends northeast from Ras Laffan, lies a prize almost beyond measure.

It is not oil, the blessing that vaulted Qatar and its Gulf neighbors from poverty to wealth in the second half of the century. It is natural gas, once burned at the source simply to get at greater oil riches.

But now, the gas here is about to transform Qatar into a nation that, within a decade, may well have the highest per-capita income in the world.

First discovered in 1971, the sprawling supply of gas buried deep under the seabed in Qatar's northern waters is believed to be the largest reservoir in the world, putting tiny Qatar behind only Russia and Iran in total gas reserves. But it is only now, after six years of intense development, that the prize appears within reach.

Ras Laffan, a barren point once visited only by fishermen and the occasional stray camel, has been transformed into one of the largest liquefied natural gas-exporting complexes in the world. The first deliveries to East Asia started eight months ago, but that is just the beginning.

Experts believe that the North Field holds so much gas that it can be tapped in huge quantities for at least 200 years, giving Qatar a powerful form of insurance at a time when its more modest oil supply is starting to run dry.

"When the era of the hydrocarbon ends," a Western diplomat here said, "there will still be gas in Qatar."

Before it can begin to reap the rewards of the new gas revenue, though, Qatar will have to pay off the heavy debts that the project has accumulated. Officials here say they intend to use the gas bonanza to open Qatar further to the outside world.

To diversify its economy and avoid overdependence on gas alone, Qatar wants to attract more investments from abroad — in the petrochemical industry but also in banking, insurance and other services.

A stock exchange started trading in May, while a law now being drafted would allow foreigners to hold majority stakes in enterprises operated in partnership with Qatari investors.

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Vegetarians Meet Match

U.S. Kids Relish Company's 'Wienermobile'

By Karl Vick
Washington Post Service

DUNDALK, Maryland — Whatever headway it may or may not have made on behalf of the world's rabbits, pigs and kangaroos, People for the Ethical Treatment of Animals has reigned as a grand master of contemporary public protest.

Or rather, it did until 9:05 A.M. Tuesday, when the animal-rights public-relations juggernaut ran head-on into the Oscar Mayer Wienermobile at a supermarket parking lot — and ended up looking like road kill.

The Wienermobile stands 27 feet long (over 8 meters), runs on six cylinders and seats four. It is at once the symbol of Oscar Mayer brand hot dogs and an American icon. Inherently cheerful, hilariously designed (by the late Brooks Stevens, who also designed Harley-Davidson motorcycles), the Wienermobile is widely regarded as pretty wonderful.

"It is," conceded Bruce Friedrich, a spokesman for People for the Ethical Treatment of Animals. "It is very, very fun.

"Which is why it's so invidious. It's selling the idea that eating hot dogs is fun, when in fact it is a violent, bloody business, and it has got to stop."

Driven by this moral certainty, the group has dogged the Wienermobile all summer, clearing the decks for a series of clashes between two titans of public relations.

"You know, there are 10 of them."

See MEAT, Page 4

The Washington Post

Children running to greet meat company's wiener-shaped vehicle.

AGENDA

Greenspan Spurs U.S. and Europe Stocks

Stock markets in the United States and Europe continued their climb to record levels Wednesday after the Federal Reserve chairman, Alan Greenspan, repeats that he was in no hurry to raise interest rates. Though he said rates might have to rise at some point, Wall Street took his comments as a sign that the Fed would not raise rates at its Aug. 19 meeting. Page 11.

The Dollar		
New York	Wednesday @ 4 P.M.	previous close
DM	1.826	1.8245
Pound	1.678	1.6805
Yen	115.675	114.95
FF	6.1475	6.142

The Dow		
	Wednesday close	previous close
+26.71	8088.36	8061.65

S&P 500		
change	Wednesday @ 4 P.M.	previous close
+2.8	936.71	933.91

Milosevic Is Reborn

Slobodan Milosevic resigned as president of Serbia on Wednesday and immediately took over as president of federal Yugoslavia, culminating a remarkable comeback that preserves his role as a key power broker, still the unrivaled leader in what is left of Yugoslavia and a champion of Serbian nationalism. Page 5.

PAGE TWO
Japanese Trapped in North Korea
EUROPE ..... Page 5.
France's Child Sex Abuse Nightmare

Japanese in North Korea / **Forbidden to Return**

A Life of Misery, Cut Off From Home

By Andrew Pollack
New York Times Service

TOKYO — Keiko Nakasuji is still haunted by what happened when she saw her mother for the first time in 26 years. Her mother had moved to North Korea in 1966 with her second husband, who was Korean. After years of pleading, Mrs. Nakasuji was allowed to visit her in the rigidly controlled communist nation.

"When I saw her, of course I ran to her and hugged her and tears came out," Mrs. Nakasuji recalled. "But she whispered in my ear, 'Stop crying and do what I do.'" What her mother then did, she said, was to bow to pictures of the North Korean leaders, Kim Il Sung and Kim Jong Il, that were hanging on the wall.

Like Mrs. Nakasuji's mother, about 1,800 Japanese women moved to North Korea with their Korean husbands, mainly in 1959 and the early 1960s. Many have not been heard from since. North Korea has not allowed any of them to return to Japan, even for a visit. With the rarest of exceptions, such as Mrs. Nakasuji, relatives of the Japanese women have not been allowed to visit them in North Korea.

Now things might change. North Korea announced recently that it would take steps to allow Japanese wives "in advanced years" to visit their hometowns in Japan.

The move is no doubt an effort to get food from Japan to help ease North Korea's famine. But it has raised guarded hopes among family members in Japan that they might get to see their loved ones at last.

Japanese storehouses are overflowing with surplus rice, some of it starting to rot. But Japan has refused to give a single grain this year until North Korea makes some humanitarian gestures of its own — such as letting the Japanese women visit.

Japan also wants North Korea to provide information about the 10 or more Japanese citizens who the authorities believe were kidnapped by North Korean agents, including a 13-year-old girl who vanished from a street near her home on the coast of the Sea of Japan 20 years ago. North Korea denies it kidnapped any Japanese.

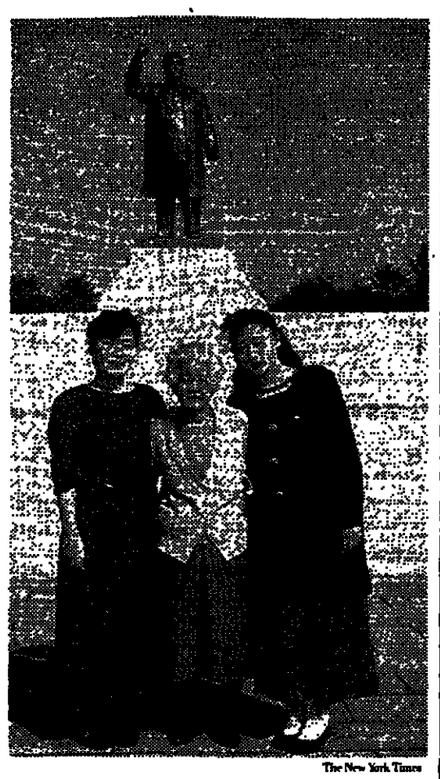
Talks between Japan and North Korea, which do not have official diplomatic relations, took place last weekend in Beijing. Seiroku Kajiyama, the Japanese chief cabinet secretary, suggested Tuesday that the talks went well enough that the next round will involve higher-level diplomats. But some experts are skeptical the visits will ever take place.

"It's just a strategy to draw out food support," said Makoto Kurosaka, an economics professor in Osaka who heads a group pressing for the women to be allowed to return to Japan. "If it does materialize, it will be only three or four of those people."

Korea was a colony of Japan from 1910 to 1945, and more than two million Koreans came to Japan or were brought here as forced laborers.

Many returned right after World War II, but further exodus was blocked by the Korean War and other factors.

In 1959, Koreans were allowed to return to North Korea and more than 86,000 did so by 1984, according to Japan's immigration agency, bringing with them 6,679 Japanese nationals. In addition to the 1,800 wives, these are believed to include a small number of Japanese husbands of Korean women and many children.



The New York Times

Keiko Nakasuji, left, and her daughter, on a rare visit in 1992 to her mother in North Korea, posing in front of a statue of the country's leader, Kim Il Sung.

Mrs. Nakasuji's mother and stepfather left to protect their five children, the oldest of whom was 19, from the discrimination they feared the children would face for being of mixed blood. Mrs. Nakasuji's mother, at first hesitant about going, was assured by the North Korean organization in Japan that she would be allowed to come back to Japan for a visit after three years.

NORTH KOREA says the Japanese wives who went along have become loyal citizens there. "They have received high education according to their hope, aptitude and ability, have stable jobs, enjoy material and cultural benefits from the state and society and lead a worthy and happy life," the official Korean Central News Agency said when it announced that it might permit some of the women to visit Japan.

But relatives in Japan, judging from letters that are often censored by North Korea, surmise that the women lead miserable lives and are under constant watch because of their backgrounds.

On her visit to North Korea, Mrs. Nakasuji said, her mother could not speak freely about her life because a guard was with them all the time. But in the middle of the night, as the two women slept in the same bed, her mother whispered to her.

"She said there are things that are more difficult than dying," Mrs. Nakasuji recalled. "Those words remain in my ears."

Not all families in Japan keep up such warm ties to their relatives in North Korea. When Tokuji Watanabe's sister went to North Korea with her Korean husband and their four young children in 1960, her mother in Japan, heartbroken and angry, barely uttered another word about her daughter until the day she died.

Sitting in their living room in Fujiyoshida, a town near the foot of Mount Fuji, Mr. Watanabe and his wife, Fumiyo, brought out a shopping bag containing about 60 letters from North Korea, the sum total of their contact with Mr. Watanabe's sister over the last 37 years.

Judging from the letters, the sister, Kiseko, had a hard life. Her husband died in 1975, leaving her to finish raising the children on her own. In some letters, Mr. Watanabe said, she asked for a net to catch birds to eat.

BUT WHILE Mr. and Mrs. Watanabe sympathized with her plight, they were exasperated by her constant requests for money.

"This is the last request of my life," she wrote in one letter in 1990 asking for about $1,000 for her daughter's wedding. "If I can let Myon Hee get married, I can die today without regrets."

In almost all her letters she wrote that other returnees from Japan were more affluent than she was. "They are wearing Japanese clothes," she said in the same letter in 1990. "The sad thing is we don't have anything made in Japan so we are ashamed walking on the street."

Mr. and Mrs. Watanabe sent her futons and clothing and food but never money. "I heard that even if I sent it, it would never arrive there," he said. They refused to give his sister their phone number, afraid that she would place too many collect calls.

In one 1990 letter, Kiseko wrote of a reported agreement between Japan and North Korea to allow Japanese wives to visit their homeland.

"I am very happy and couldn't sleep all night," she wrote. "It's like a dream."

Those visits never materialized. But now that they might actually be allowed, it is not clear that Mr. Watanabe's sister will be able to come. There have been no letters from her for several years, leaving Mr. Watanabe to suspect that Kiseko, who would be 70, has died. "If she's still alive, I wish she could come," he said.

Mrs. Nakasuji's mother died in 1995. Her stepfather had died much earlier. But Mrs. Nakasuji still hopes to be reunited with her half brothers and half sisters.

"They had no choice about whether to go to North Korea," she said in a telephone interview from her home in Himeji, west of Kobe. "I really feel sorry for them."

Mrs. Nakasuji sends about $20,000 to North Korea every year, though she is not sure how much of it gets to her family.

When she left North Korea after her visit in 1992, her siblings accompanied her to the boat. One sister presented Mrs. Nakasuji with a bouquet, but her youngest brother grabbed the flowers and tossed them into the sea.

Mrs. Nakasuji took that gesture as a message. "They couldn't say things like 'I want to go home with you,'" she said.

Bloody Battle for Power In Mexican Drug Cartel

A Death Sparks War Over Cocaine Trade

By Douglas Farah and Molly Moore
Washington Post Service

The death of Amado Carrillo Fuentes, one of the most powerful drug traffickers in the world, has set off a bloody struggle for control of Mexico's multibillion-dollar cocaine trade, U.S. and Mexican law-enforcement officials say.

Mr. Carrillo died July 4 in a hospital after undergoing plastic surgery and liposuction. The following day, Tomas Colsa McGregor, well known to U.S. law-enforcement officials as the top money launderer for Mr. Carrillo's drug cartel, was dragged from his Mexico City home, tortured and shot in the head several times. Over the next two weeks, five other mid-level cartel members were gunned down in Juarez, Mexico, the center of Mr. Carrillo's drug empire, the Mexican authorities said.

Mr. Carrillo's organization, which controls illegal drug shipments across the Mexican border from Texas to Arizona, is the largest criminal organization smuggling cocaine into the United States.

In the past several years, it took over much of the U.S. drug-distribution system once managed by Colombian groups, such as the Cali cartel, and had recently gained control of the huge New York market, sources in the United States said.

U.S. and Mexican law-enforcement officials said it was still too soon to tell who will inherit control of Mr. Carrillo's organization or even who is gaining the upper hand in the bloodletting. It also is not entirely clear whether the killings are the result of infighting within Mr. Carrillo's Juarez cartel or the work of rival drug groups, particularly the Arellano Felix organization based in Tijuana. The Arellano Felix organization, led by five brothers, controls the California border region and part of the Arizona boundary.

U.S. and Mexican intelligence sources said that if a full-scale war broke out between the organizations it would probably be along the Arizona border, where the Juarez cartel had been slowly trying to displace the Arellano Felix group.

"We can foresee a period of violence as people try to take over or prevent people from taking over what is a multibillion-dollar business," said a Mexican-based official of the U.S. Drug Enforcement Administration. "There's always a state of flux after a change like this. You can only guess what will happen."

He added: "No one knows. The traffickers don't know."

Mariano Herran Salvatti, Mexico's anti-drug chief, said in a television interview over the weekend that the Juarez cartel was "disjointed" and "doesn't have a head." He warned that if a consensus on a leader was not reached, there could be a "disintegration of the cartel."

If the killings are the result of an attempt by the Arellano Felix brothers to move into territory and routes traditionally controlled by Mr. Carrillo, the war could be especially bloody because the two organizations have a long history of violence.

The slayings thus far have been notably brutal. On Saturday, Juan Eugenio Rosales, a convicted drug trafficker and Carrillo associate known as "the genius," died in a hail of bullets while driving his car into his garage, the Mexican police said. Two other victims, a man and a woman, were found dead in the trunk of a stolen car in Juarez with ropes tied around their necks, plastic bags taped over their heads and their feet bound with wire, the police said.

"There will never be peace between the Carrillo organization and the Arellano Felix organization," said a senior U.S. law-enforcement official who has monitored the cartels for years. "There is just too much bad blood there. They have killed each other's wives and children; they have passed on intelligence about each other to law enforcement. It is personal, not business. Business they could work out."

U.S. and Mexican drug experts say the leadership of the Carrillo organization is now being shared by three of his lieutenants, any of whom could emerge as the dominant force, depending on internal negotiations and the willingness of Colombian suppliers to deal with them individually or collectively.

U.S. and Mexican sources identified the three as Juan Jose (Blue) Esparragoza, a key link between the organization and Colombian cocaine suppliers; Vicente Carrillo, Amado's younger brother, who was in charge of cocaine transportation, and Hector (the Blond) Palma, the most violent of the three.

Mr. Palma, who was arrested in 1995 on a host of homicide and drug-trafficking charges, is still in prison, but many of the serious charges against him have been dismissed under questionable circumstances.

Mr. Palma is considered especially dangerous because of the hatred between him and the Arellano Felix brothers. In 1989, according to law-enforcement reports, an associate of the Arellano Felix organization, Rafael Clavel Moreno, was sent to infiltrate Mr. Palma's group. Mr. Clavel seduced Mr. Palma's wife, persuaded her to withdraw $7 million of her husband's money, then had her decapitated and sent her head back to Mr. Palma in a box.

What made Amado Carrillo so effective, U.S. and Mexican sources said, was his ability to meld different trafficking organizations into a federation that he controlled. It is not yet clear whether anyone in the Carrillo organization can wield similar clout, backed by the use of force against enemies or allies who get out of line.

Arafat and Levy Differ Over Talks

Compiled by Our Staff From Dispatches

BRUSSELS — Foreign Minister David Levy of Israel and the Palestinian president, Yasser Arafat, disagreed Wednesday over whether a meeting between them had broken the logjam in the Middle East peace process.

Mr. Arafat, who at first spoke of having achieved "significant and positive steps" at the meeting Tuesday, said Wednesday that "nothing was achieved yesterday." Mr. Levy said the meeting had given new impetus to the talks.

Both men spoke after separately meeting with Belgium's foreign minister, Eric Derycke, on Wednesday.

"We have every reason to be optimistic. We have taken a step forward," Mr. Levy said.

Mr. Arafat called on the European Union to use its influence on Israel to further the peace process.

"I am looking to achieve something concrete," he said. "We are not asking for the moon, we are asking the European Union to help get results. It is very important that with their help we can save the peace process."

The peace talks, first opened in Oslo in 1993, have been steadily sliding into crisis since March this year when the Israelis began building 6,500 houses in Arab East Jerusalem.

Mr. Levy on Wednesday rejected suspending the building project.

"We had no preconditions yesterday," he said, adding that the Oslo accords did not rule out building in East Jerusalem. *(Reuters, AP)*

■ Jewish Group Claims Attack

News agencies reported from Jerusalem:

A Jewish extremist group claimed responsibility Wednesday for an assault on a member of the Palestinian legislative council, Israeli radio reported.

The "Front for the Zionist Idea" sent a beeper message to Israeli Radio saying it was behind a car chase and assault Wednesday morning on Abbas Zaki, a Palestinian legislator from Hebron.

The attack was committed "in defense of Jerusalem," said the group, which is an offshoot of the Kach movement, an anti-Arab group banned by Israel since 1994.

Five Israelis in a car chased Mr. Zaki's car to Jerusalem's southern edge, and, when they stopped at a red light, "They beat on the car and tried to drag out Zaki," said the legislator's driver, Fraid Jabalin. "I got out and scuffled with them. Then the light turned and they got back in their car and drove off," he said. Mr. Zaki was uninjured.

In another incident, an Israeli Arab who rammed his car into a group of teenage British tourists and then went on a stabbing rampage with a sword has been admitted to a hospital, the Israeli police said Wednesday.

Israel Radio said the man had a ruptured spleen.

A British woman and a youth were taken to a hospital Tuesday night with stab wounds and later discharged. Eight other people were slightly hurt in the attack near Jaffa. *(AFP, Reuters)*

Israel Adopts Bill to Tighten Hold on Golan

Compiled by Our Staff From Dispatches

JERUSALEM — Israel toughened its stance against Syria on Wednesday by adopting a bill aimed at blocking any future withdrawal from the occupied Golan Heights, the strategic plateau captured from Syria in 1967 and annexed in 1981.

The proposal, which sparked an opposition walk-out, stipulates that any move to withdraw from the Golan Heights must be approved by a two-thirds majority, or 80 members of the 120-member Parliament.

"Strengthening the law on the Golan does not undermine negotiations with Syria," Prime Minister Benjamin Netanyahu said after the vote. "On the contrary, it will contribute to peace because Syria must understand that the Golan is indispensable to Israel."

But opposition Labor parliamentarians said the bill would kill off the prospect of peace talks with Syria.

"This means the government of Israel cannot conduct negotiations with Syria," said Haim Ramon, a Labor party legislator. "This will lead to a greater break with Syria, I think to greater deterioration."

Syria has demanded the full return of the Golan Heights before the talks can resume. The previous Israeli government said the scope of any pullback on the plateau would match the depth of the peace achieved.

The bill, passed by a vote of 43 to 40, must go through three readings in the Knesset before it becomes law. Mr. Netanyahu and most of his ministers voted in favor of the bill even though the government had announced earlier that it opposed it.

The last-minute about-face enraged the opposition, which called for a new vote and announced a boycott of Parliament, accusing the government of deceiving members about its intentions. *(AFP, Reuters)*

Correction

The name of a former U.S. ambassador to South Korea, James Laney, was misspelled in a caption in Wednesday's editions.

TRAVEL UPDATE

Eurotunnel Strike Disrupts Traffic

PARIS (AP) — Striking French employees of Eurotunnel, the Channel Tunnel operator, blocked tourists from boarding shuttles bound for England on Wednesday afternoon, a company spokesman said.

Eurostar passenger train service was unaffected.

Asia-Pacific Air Travel to Soar

SINGAPORE (AFP) — Demand for air travel in the Asia-Pacific region will grow by an annual 7.4 percent in the years to 2010, twice as high as the growth in the rest of the world, an industry body predicted.

The Air Transport Action Group forecast there would be 1.1 billion passengers traveling to, from and within the Asia-Pacific region by 2010.

All Nippon Airways and Japan Air Lines will expand service to China starting in November. ANA will begin a thrice-weekly service from Osaka to Tianjin and Shenyang. JAL will expand its twice-weekly service from Osaka to Dalian. *(AFP)*

WEATHER

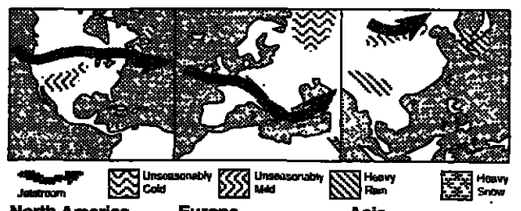
Europe

	Today High C/F	Today Low W C/F	Tomorrow High C/F	Tomorrow Low W C/F
Algarve	26/79	19/66 s	29/84	21/70 s
Amsterdam	23/73	15/59 sh	22/71	13/55 sh
Ankara	25/77	8/46 pc	28/82	11/52 pc
Athens	32/89	24/75 s	36/97	26/79 s
Barcelona	25/77	18/61 pc	24/75	19/66 s
Belgrade	32/89	18/64 pc	31/88	17/62 sh
Berlin	24/75	15/59 c	23/73	16/61 c
Brussels	23/73	14/57 c	21/70	13/55 r
Budapest	28/82	19/64 c	29/84	16/61 pc
Copenhagen	23/73	15/61 c	22/71	15/59 sh
Costa Del Sol	25/77	17/62 s	28/82	19/66 s
Dublin	18/64	13/55 c	20/68	12/53 c
Edinburgh	19/66	13/55 r	17/62	11/52 r
Florence	33/89	19/66 c	31/88	18/64 pc
Frankfurt	26/79	15/59 c	23/73	15/59 sh
Geneva	27/80	14/57 r	20/68	14/57 r
Helsinki	24/75	15/59 c	26/79	16/61 c
Istanbul	27/80	19/66 pc	31/88	22/71 pc
Kiev	24/75	15/59 c	23/73	16/61 sh
Las Palmas	24/75	19/64 s	26/79	19/66 s
Lisbon	26/79	19/66 s	29/84	21/70 s
London	21/70	16/61 r	23/73	14/57 pc
Madrid	28/79	13/55 c	31/88	17/62 s
Mallorca	23/73	17/62 pc	23/73	19/66 s
Milan	32/89	18/64 pc	29/84	18/64 c
Moscow	24/75	14/57 pc	26/79	15/59 pc
Munich	24/75	14/57 sh	22/71	12/53 sh
Nice	29/84	21/70 pc	28/82	21/70 pc
Oslo	24/76	15/59 r	23/73	15/59 r
Paris	24/75	15/59 pc	19/66	14/57 r
Prague	24/75	12/53 c	24/75	13/55 pc
Reykjavik	14/57	12/53 sh	14/57	10/50 r
Riga	24/75	16/61 c	26/79	17/62 c
Rome	32/89	20/68 pc	28/82	19/66 pc
St. Petersburg	24/75	17/62 c	26/79	17/62 pc
Stockholm	24/75	15/59 pc	24/75	15/59 pc
Strasbourg	27/80	16/61 c	22/71	13/55 r
Tallinn	24/75	16/61 c	26/79	16/61 c
Tbilisi	29/82	18/64 r	29/84	18/64 r
Venice	30/86	20/68 pc	27/80	18/64 sh
Vienna	27/80	17/62 r	26/79	16/61 pc
Warsaw	25/77	14/57 c	24/75	14/57 sh
Zurich	24/75	16/61 r	20/68	14/57 r

Middle East

	Today High C/F	Today Low W C/F	Tomorrow High C/F	Tomorrow Low W C/F
Abu Dhabi	39/102	28/82 s	40/104	29/84 s
Beirut	26/79	19/66 s	26/79	19/66 s
Cairo	34/93	20/68 s	35/95	20/68 s
Damascus	31/88	14/57 s	32/90	14/57 c
Jerusalem	27/80	13/55 s	27/80	14/57 s
Luxor	41/106	18/64 s	40/104	20/68 s
Riyadh	42/107	29/84 s	43/109	29/84 s

Forecast for Friday through Sunday, as provided by AccuWeather.



North America Very hot and humid from the southern Plains to the Midwest and Ohio Valley Friday through the weekend. Steamy in the Southeast with a thunderstorm in spots. Heavy rain ending in New England and the Northeast early Friday, then some sunshine and warmer through the weekend

Europe Showers and thunderstorms with a few heavy downpours in Germany and Poland Friday will affect Belarus, the Balkans and Romania over the weekend. London to Paris will be partly sunny and breezy, but there can be a stray shower at times. Warming up in Madrid with lots of sunshine

Asia Typhoon Rosie is a very dangerous storm that will probably slam into southern Japan late Friday or Saturday with devastating winds, flooding rains and very high seas that will batter the coast. Beijing will be sunny and hot through the weekend with the chance of a stray thunderstorm

North America

	Today High C/F	Today Low W C/F	Tomorrow High C/F	Tomorrow Low W C/F
Anchorage	22/71	13/53 c	21/70	12/53 pc
Atlanta	31/88	21/70 t	30/86	23/73 pc
Boston	20/68	17/62 sh	27/80	19/66 r
Chicago	30/86	20/68 s	31/88	21/70 pc
Dallas	38/100	24/75 s	38/100	24/75 pc
Denver	33/91	17/62 s	33/91	16/61 t
Detroit	26/84	18/64 sh	30/86	20/68 pc
Honolulu	30/86	25/71 pc	31/88	23/73 pc
Houston	36/97	24/75 s	36/97	23/73 pc
Los Angeles	29/84	17/62 s	31/88	17/62 pc
Miami	32/89	26/79 pc	32/89	26/79 t
Minneapolis	30/86	20/68 t	31/88	19/66 pc
Montreal	26/79	13/55 c	28/82	21/70 r
Nassau	32/89	23/73 s	32/89	25/77 pc
New York	23/73	18/64 r	29/84	21/70 sh
Orlando	34/93	23/73 pc	33/91	23/73 t
Phoenix	41/106	27/80 t	40/104	27/80 t
San Fran	22/71	13/55 pc	23/73	14/57 pc
Seattle	24/75	12/53 pc	21/70	12/53 pc
Toronto	23/71	15/59 sh	29/84	18/64 pc
Vancouver	21/70	10/50 pc	21/70	8/46 pc
Washington	28/82	21/70 sh	30/86	22/71 pc

Asia

	Today High C/F	Today Low W C/F	Tomorrow High C/F	Tomorrow Low W C/F
Almaty	36/97	15/59 s	36/97	16/61 s
Bali	32/89	19/66 s	31/88	20/68 pc
Bangkok	31/88	27/80 r	29/84	26/79 t
Beijing	35/95	25/77 s	36/97	27/80 s
Bombay	28/82	26/70 r	28/82	25/77 r
Calcutta	31/88	24/75 r	31/88	24/75 t
Chiang Mai	32/89	25/77 r	31/88	24/75 t
Colombo	29/84	26/79 sh	29/84	25/77 pc
Hanoi	32/89	26/79 c	30/86	26/79 sh
Ho Chi Minh	31/88	24/75 r	31/88	26/79 t
Hong Kong	29/84	24/75 c	28/82	24/75 sh
Islamabad	39/100	26/79 s	39/102	27/80 s
Jakarta	31/88	22/71 pc	31/88	23/73 pc
Karachi	33/91	27/80 pc	33/91	27/80 pc
K. Lumpur	31/88	23/73 c	32/89	23/73 pc
K. Kinabalu	31/88	22/71 pc	31/88	22/71 pc
Manila	31/88	23/73 r	31/88	23/73 c
New Delhi	35/95	26/79 pc	33/91	25/77 r
Phnom Penh	31/88	25/77 r	31/88	27/80 t
Phuket	31/88	27/80 r	29/84	26/79 t
Rangoon	32/89	26/79 r	29/84	26/79 t
Seoul	32/89	23/73 r	32/89	23/73 pc
Shanghai	32/89	23/73 pc	31/88	23/73 pc
Singapore	31/88	25/77 pc	31/88	22/71 pc
Taipei	31/88	23/73 pc	31/88	23/73 pc
Tokyo	29/84	22/71 pc	28/82	23/73 pc
Vientiane	32/89	26/79 c	29/84	25/77 sh

Africa

Algiers	27/80	14/57 s	28/79	16/61 s
Cape Town	14/57	6/43 pc	12/53	3/38 pc
Casablanca	21/70	16/61 s	24/75	20/68 s
Harare	26/79	13/55 s	27/80	13/55 s
Lagos	27/80	23/73 r	28/82	22/71 c
Nairobi	25/77	10/50 pc	25/77	11/52 pc
Tunis	39/102	22/71 s	30/86	17/62 s

Latin America

Buenos Aires	18/64	11/52 c	19/66	12/53 sh
Caracas	31/88	23/73 c	30/86	24/75 c
Lima	22/71	17/62 s	21/70	17/62 s
Mexico City	26/79	12/53 pc	23/73	13/55 c
Rio de Janeiro	22/71	14/57 pc	20/68	16/61 pc
Santiago	21/70	6/43 s	19/66	8/46 pc

Oceania

Auckland	12/53	4/39 pc	10/50	6/43 s
Sydney	18/64	10/50 pc	18/64	11/52 pc

Legend: s-sunny, pc-partly cloudy, c-cloudy, sh-showers, t-thunderstorms, r-rain, sf-snow flurries, sn-snow, I-ice, W-Weather. All maps, forecasts and data provided by AccuWeather, Inc. © 1997

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NORWAY	NOK	832	390	53%
SINGAPORE	S$	146	82	43%
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THE AMERICAS

Nuns to Testify in Funds Probe

Rebuffing Justice Department, Senators Vote for Immunity

The Associated Press

WASHINGTON — Before turning their attention to non-U.S. donations to the Republican Party, Senate campaign-finance investigators rebuffed the Justice Department, voting Wednesday to grant immunity to four Buddhist nuns involved in a fund-raising event attended by Vice President Al Gore in 1996.

The immunity vote opened a third week of public hearings into campaign fund-raising abuses that will give Democrats their first chance to go on the offensive. The committee planned to hear testimony about the relationship of Ambrous Tung Young, a Hong Kong businessman, with the Republican Party, the party's former chairman, Haley Barbour, and the National Policy Forum think tank that Mr. Barbour formed.

But first, a handful of Democrats joined all nine Republicans on the Governmental Affairs Committee to grant the limited immunity, opening the door for the four nuns to testify.

The committee also granted immunity to a Democratic donor from Virginia.

The Justice Department had urged the committee not to grant immunity, citing its investigation into fund-raising abuses.

■ A Conflict of Interest?

Eric Schmitt of The New York Times reported:

The chairman of the Senate committee investigating campaign finances accused the Justice Department of engaging in "a hopeless conflict of interest" by opposing the Republican offer of limited immunity.

The committee's chairman, Senator Fred Thompson, Republican of Tennessee, rejected the department's contention that granting immunity might compromise the department's own inquiry.

Mr. Thompson said this possibility was remote and implied that the department was shielding the White House from potentially embarrassing disclosures about gifts to the Democratic Party made by members of a Buddhist temple in Southern California last year.

Mr. Gore attended a fund-raising event at the temple, and the nuns to whom the committee granted immunity are members of the temple.

All in all, the chairman said Tuesday, the department has created "a hopeless conflict of interest."

The five prospective witnesses, who have all made clear that they will not testify without immunity, are relatively low-level figures in the inquiry. But some of the nuns attended the fund-raiser where Mr. Gore was the featured speaker and, despite their vows of poverty, were later listed as having made $5,000 contributions to the Democratic Party.

Apart from the four nuns, the fifth person be granted immunity by the committee was Keshi Zhan, a $22,000-a-year employee at the welfare department in Arlington, Virginia, who donated $15,000 to the Democrats last year. Ms. Zhan also served as a fund-raising hostess for Yah Lin Trie, once a restaurant owner in Little Rock, Arkansas, who became a prominent Democratic fund-raiser.

Republicans Trumpet Pact on Tax Bill

By Richard W. Stevenson
New York Times Service

WASHINGTON — Republicans from both houses of Congress say they have resolved almost all the differences between their respective tax bills and will present a united front in trying to reach a deal with President Bill Clinton's administration.

Differences between the ways the House and Senate arrived at an $85 billion tax cut were substantial and had complicated negotiations between Republican leaders and the administration on a compromise that President Clinton would sign.

"We had a very, very good negotiation," Newt Gingrich, speaker of the House, said after the meeting. "We're very close to getting this done."

But in agreeing to take a single position in the talks with the White House, Republicans adopted some positions Tuesday night that were closer to the House bill, which Mr. Clinton had made clear was unacceptable, and away from the Senate bill, which administration officials had said provided a reasonable starting place for negotiating a compromise.

Republican leaders did not disclose details of the deal they worked out on the House and Senate bills. But people involved in the talks said it retained a provision in the House bill that would allow investors to subtract the effects of inflation in calculating their capital gains.

Mr. Clinton said such a provision would lead him to veto the bill because it would cost the government so much in revenue in coming decades that it could send budget deficits out of control again.

The Republicans also maintained their opposition to making more low-income working families eligible for a proposed tax credit of $500 a child. Mr. Clinton has pressed Republicans on the issue, saying that families making $20,000 to $25,000 a year who already benefit from the earned income tax credit deserve the child credit as much as anyone else.

The unified Republican plan takes a position on the child credit between the House bill, which Mr. Clinton considers unacceptable, and the Senate bill, which is closer to what he wanted.

The Republicans left unresolved two major differences between the House and Senate bills: whether to increase taxes on cigarettes by 20 cents a pack, and how to structure an extension of a tax on airline tickets.

Republicans said they hoped to begin full-scale negotiations with the administration on the tax bill Wednesday and to send a bill to President Clinton for his signature by the time Congress recesses in early August.

Crime Sweeps Brazil as Police Strike

Poor Pay, or None, and Fiscal Crises Underlie the Spreading Walkouts

By Anthony Faiola
Washington Post Service

RECIFE, Brazil — In five chaotic days in this beachside metropolis, the daily homicide rate has tripled. Eight banks have been robbed. Gangs have run wild through a shopping mall and driven through upper-class neighborhoods shooting guns. No one is obeying the traffic laws.

Recife, a city of 2 million in the poor northeastern state of Pernambuco, is just one of several cities and towns across Brazil ravaged by a rash of police strikes that have caused a national crisis.

Army troops have arrived to keep the peace, but the 3,000 soldiers have been unable to do the job of 18,000 striking metropolitan-area police officers, and gangs of roving bandits terrorize the outskirts of the city.

"We are afraid to leave our homes," said Jaqueline Acioli, 25, as she waited outside Recife's morgue. "We are afraid to be anywhere out on the streets. How can this be happening?" Her brother was shot in his home by robbers Monday night. "This is total madness."

Since the illegal strike over wages began here July 16, the crime wave has tested the limits of the city morgue and left the largest state hospital overflowing with gunshot and stabbing victims, with patients lining the floors of hallways. Several pharmacies have been raided by bandits for drugs.

"There has been nothing like this here in decades, since the days of the military coup," said Roberto Franca, justice secretary of Pernambuco state, referring to a military takeover in 1964. "This kind of lawlessness is unprecedented here."

The police strikes, which began a month ago in the southeastern state of Minas Gerais, arose over low pay and, in many states, fiscal crises that have blocked pay increases. Rank-and-file policemen argue that they cannot survive on their meager salaries: In Recife, the average patrolman makes $286 a month, while senior officers often take home 15 times that amount.

The strikes, illegal under Brazil's Constitution, nevertheless have spread through 15 of its 27 states. They have crippled the northeast and southeast and appear to be moving into the southernmost states, with the most populous cities and many crucial industries.

In Sao Paulo, 2,000 policemen and supporters marched this week, threatening to strike if pay were not increased by at least 33 percent. Police also are set to strike in Rio Grande do Sul state.

The army has been called out to protect government buildings in four states but has met resistance not only from lawbreakers but from striking police. In the northeastern state of Alagoas, where police have not been paid for six months, gunfights broke out between army troops and police wearing black masks and wielding pistols. The governor of the cash-strapped state resigned.

Some Brazilians are saying the strikes amount to blackmail. Officials are faced with the choice of raising police pay or leaving the streets of major cities unprotected. In Minas Gerais, the governor gave in, offering substantial raises that many said the city could not afford.

The strikes highlight the massive problem with police in Brazil, where they have come under intense attack for brutality and reckless behavior, especially since March, when policemen in Rio de Janeiro and Sao Paulo were caught on videotape torturing citizens.

The moves sparked the government in Brasilia to form a committee to revamp the police system, eliminate the special military courts used in cases of brutality and substantially improve training. Some say that, while the strikes are primarily over low or unpaid wages, underlying tension between police and civilians has turned them violent.

President Fernando Henrique Cardoso has condemned the strikes and offered to restructure debts of financially strapped states to help them improve pay.

Leaders in Recife have called for the federal government to send more troops.

"I fear for my life here," said Andre Mulatinho, manager of a bank that was robbed last weekend, when armed men took $21,000.

"Usually, there are two police officers across the street from this bank. But we had no one — no one. I can't believe this is happening."

POLITICAL NOTES

Gingrich Reasserts Authority in House

WASHINGTON — Newt Gingrich has emphatically reasserted his authority as House speaker, telling a private Republican session there is "a single line of authority" in the House and he is it, participants said.

At the same time, House Republicans scheduled an evening session to demand a fuller accounting from party leaders about whether they played a role in an abortive coup attempt against Mr. Gingrich.

Republicans emerging from the closed-door session generally said they did not expect any further leadership changes now and described Mr. Gingrich as clearly in charge. *(AP)*

Medicare Savings Sought by Clinton

WASHINGTON — In a push to achieve long-range savings in the Medicare program, President Bill Clinton has vowed to "defend the vote of any member of Congress, Democrat or Republican," who supported raising premiums for the affluent elderly.

Mr. Clinton spoke a day after congressional budget negotiators reached an impasse in talks to rein in the cost of the federal health insurance program for the elderly. House Republicans said they feared that adopting the proposed savings would make them vulnerable to attacks by Democrats in next year's campaigns. Mr. Clinton on Tuesday firmly supported the politically sensitive move to charge the affluent more for Medicare.

The Senate has proposed premiums rising on a sliding scale for single beneficiaries with incomes of more than $50,000 a year, and for couples with incomes of more than $75,000 a year. The proposal would affect about 8 percent of those now receiving Medicare benefits.

"My best judgment is that a big majority of the American people will support this," the president said. "They understand how big the baby boom retirement generation is. They understand how large the subsidy is on Medicare." *(NYT)*

Stamps for Research

WASHINGTON — Congress has discovered a new way to raise money for breast cancer research: by selling stamps at more than their face value.

The House directed the U.S. Postal Service to issue a breast cancer stamp that could be sold with a surcharge of up to 8 cents. The extra money would be dedicated to research efforts. Some legislators predicted it would be the first of a series of special stamps to fund research against various diseases.

Postal officials initially objected to the measure, fearing the idea would spread to other causes. Similar legislation cleared the Senate last week, 83 to 17. Shortly before the House vote, a postal spokesman acknowledged the issue's "seeming momentum" and said the Postal Service would obey Congress's wishes. *(WP)*

Familiar Savings

NEW YORK — Ruth Messinger outlined more than $1 billion in reductions in the New York City budget, promising they would cover the heavy round of spending she has proposed in her mayoral campaign. Many of her proposals were directed at city workers.

Ms. Messinger, the likely candidate for the Democratic mayoral nomination, said city employees should work more hours and agree to eliminate or reduce such long-established benefits as paid sabbaticals for teachers and letting union officials do union business on city time.

Ms. Messinger has often resisted many of the ideas she embraced in her speech. Some recalled the themes Mayor Rudolph Giuliani, a Republican, raised in his 1993 campaign, then largely abandoned as he sought his peace with the city's unions. *(NYT)*

You Lose, You Pay

WASHINGTON — Some House members hope the Justice Department will think twice before prosecuting a member of Congress in the future.

A spending bill sent to the House floor Tuesday contains a provision that would let members of Congress and their legislative staff recoup legal fees if they prevail in court. The money would be deducted from the Justice Department's budget.

The "you lose, you pay" penalty was approved almost a year after Representative Joseph McDade, Republican of Pennsylvania, chairman of the House Appropriations energy and water development subcommittee, was acquitted of bribery and racketeering.

Representative John Murtha, Democrat of Pennsylvania, who spearheaded the amendment, said his effort was less about Mr. McDade than "the independence of the Congress." It would apply to members and staffers prosecuted in connection with their official duties, Mr. Murtha said. It was approved by the House Appropriations Committee on a voice vote. *(AP)*

Quote/Unquote

Dick Armey, the majority leader, in a letter to fellow House Republicans denying that he ever joined a plot to remove the speaker, Newt Gingrich: "At this point, I couldn't care less whether I'll be speaker, majority leader, or dogcatcher, but I'll be damned if I'll let my name and honor be destroyed." *(NYT)*

Ron Edmonds/The Associated Press

GASP — Senator Edward Kennedy listening to "The Extinguisher" at an American Lung Association event aimed at curtailing smoking.

Away From Politics

- **The U.S. warship Constitution** showed some minor damage during its one-hour sail this week, The Boston Herald reported, quoting unidentified sources. The navy said the 200-year-old vessel would undergo tests before it sailed again. *(AP)*
- **Environmentalists are charging that a major air pollution strategy** violates the civil rights of people living in low-income, minority communities. They have filed a federal complaint that calls into question an endeavor called pollution trading. A nationwide initiative spawned in Southern California, it allows manufacturers in the Los Angeles area to buy and scrap old, high-polluting cars, and in return, collect credits without having to clean up emissions from their own operations. Pollution trading has been favored to give industries choices in how they clean up air pollutants, so they can cut costs and expand their businesses. The environmental group filing the complaint says the strategy allows "hot spots" of toxic compounds to be created, threatening the health of people in industrial areas. *(LAT)*
- **After hearing evidence against themselves** for two months, four garbage-industry officials abruptly interrupted their trial and pleaded guilty to charges that they had participated in a cartel that controlled New York City's multimillion-dollar private trash-removal business. *(NYT)*
- **A U.S. government informant** who helped arrange a drug sting was found dead in Mexico, the FBI said. Hector Salinas Guerra, 42, had been abducted five days earlier by armed men. *(AP)*
- **A fuzzy fax with an official-looking sheriff's letterhead** sent to the jail in Richland County, South Carolina, led officers there to free a man who had been wanted on assault and weapons charges. The letterhead proved a fake, and the letter had been sent from a public fax machine in a grocery store. The suspect has not been recaptured. *(AP)*
- **Law-enforcement officials in four states said they foiled a plot** by an anti-government group to attack military installations. Two police agents helped the case, the authorities said, by infiltrating the group. *(NYT)*
- **A man who struck a boy on the head** with a 10-pound (4.5-kilogram) frozen chicken during a fight with the boy's mother has been sentenced in San Diego to eight months in prison. *(AFP)*

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THE WORLD'S DAILY NEWSPAPER

Swiss Bank Tells of More Accounts

By Alan Cowell
New York Times Service

ZURICH — As Swiss banks sought to claw back credibility lost in their handling of dormant accounts thought to belong to Holocaust victims, one of the country's top three banks acknowledged publicly Wednesday that it had earlier failed to report the existence of accounts worth over $10 million that may include Jewish assets.

The admission by Swiss Bank Corp. in Basel clouded an unparalleled move by the banks to publish details of dormant accounts opened before May 9, 1945, at the end of World War II. The banks are hoping to counter persistent criticism from the United States and from American Jewish groups that they callously hoarded assets belonging to slain Jews for more than a half-century.

In newspaper advertisements in 28 countries and on a new Internet site, the Swiss Bankers Association, representing the country's 400 banks, listed 1,756 dormant accounts along with the names of their owners and of people with power of attorney over them.

The move was said by banking officials to represent an unheard-of departure from Switzerland's bank secrecy laws. The offer to identify the heirs to dormant accounts was far more aggressive than previous Swiss efforts to identify dormant accounts, which produced only limited results and fed assertions that the banks were deliberately thwarting claims by relatives of Holocaust victims. But from the names published Wednesday it was unclear how many were Holocaust victims.

The Swiss Bankers Association said two-thirds of the accounts were valued at less than $3,500 and that 10 percent of them accounted for 90 percent of the total value.

The accounts advertised were valued at 60.2 million Swiss francs ($40.6 million) — about 50 percent more than banks had acknowledged they were holding only a few months ago, when the institutions said they were aware of only 775 dormant accounts worth around $30 million.

Banking officials explained the discrepancy by referring to the announcement from Swiss Bank Corp. on Wednesday that it had failed to report the existence of accounts worth 16 million francs because of errors in transferring details about them onto a computer database in the 1970s.

The 55 accounts that had not been reported before had been discovered only with manual searches, the Swiss Bank Corp. statement said.

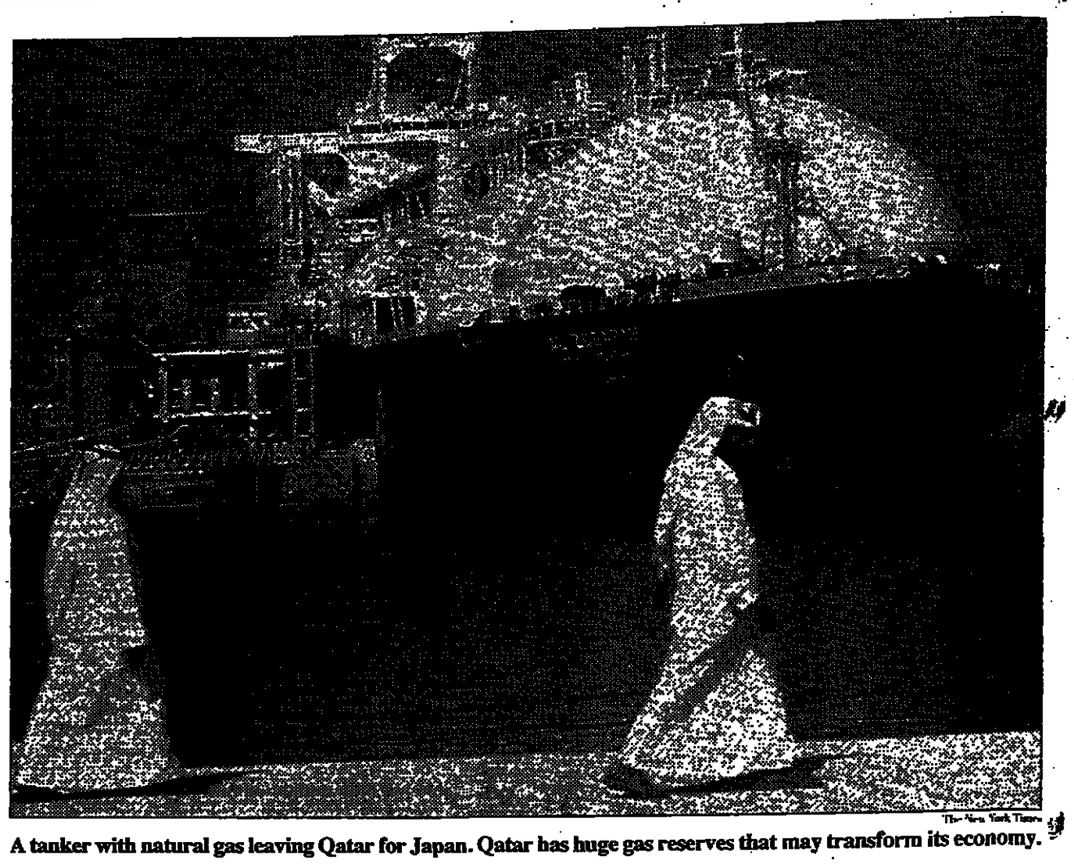
Previously, wartime accounts had been listed along with accounts dormant since the 1970s and 1980s and had not therefore shown up in computer searches for the older assets, said Michael Willi, a spokesman for Swiss Bank Corp.

The bank's admission was the second time this year that big Swiss banks have acknowledged major blunders.

In January, Union Bank of Switzerland dismissed a night watchman who discovered officials shredding bank documents that may have related to the wartime era.

The move to publicize details about dormant accounts was by far the most sweeping action undertaken by Swiss banks in two years of confrontation with U.S. politicians and Jewish groups.

But Paul Volcker, the former chairman of the U.S. Federal Reserve who heads an independent commission investigating the whereabouts of dormant accounts, said it was only the "first step" of a broader process involving independent audits of banks to verify Wednesday's findings and to seek any evidence of malfeasance such as looting of accounts by Swiss intermediaries or bank officials.



The New York Times

A tanker with natural gas leaving Qatar for Japan. Qatar has huge gas reserves that may transform its economy.

FAMILY: *List of Dormant Swiss Bank Accounts Brings Hope*

Continued from Page 1

ety. "She said she wanted nothing to do with it," Stephan said.

She was so nervous that neighbors might become jealous if they learned of the Swiss account that she asked her son to keep his last name, which is not Hollas, out of news accounts of the discovery.

Despite his mother's reluctance, Stephan plans to file a claim for the Swiss account.

"I still can't find out why he didn't touch this account after the war," Stephan said. "My mother said the only thing she can think of is that he wanted the money back and the Swiss told him you don't have the money here."

Helmut Hollas and his wife belonged to the upper echelons of prewar Prague society. The Hollas family lived in a grand villa in Prague's leafy Bubenec district and Helmut owned a successful firm, with its own building in the city center. The family traveled in a 12-cylinder Tatra 80 limousine.

"They were rich bourgeois, moving all the time between Prague and Karlsbad and Salzburg and northern Italy," said Stephan.

But when Nazi Germany occupied the Czech lands in March 1939, their life changed. His grandfather's textile-trading business was confiscated by the Nazis and turned over to a Czech of German origin. Helmut Hollas sensed the danger and fled to England. His wife refused to leave, and stayed behind with her two daughters. They hid in Slovakia until April 1944, when they were caught by the Nazis and transported to Theresienstadt, a concentration camp outside Prague. They survived, and Helmut was reunited with his family in Prague in the summer of 1945.

For three years, the family tried to recover their property in Czechoslovakia, including the Bubenec villa, first seized by the Nazis, then by Czechoslovakia's communist government. In 1948, Helmut Hollas fled his homeland for a second time, taking his family with him. They crossed a river by night in a small boat, then sneaked through the forests and over the border to occupied Austria.

"They arrived with nothing," said Stephan.

For Stephan, who grew up in Austria, reassembling his grandfather's past has been a personal mission since the fall of communism. In the summer of 1990, he arrived at Prague's main train station clutching the same suitcase his grandfather carried when the family fled Prague in 1948.

"My mother always wanted to forget history, and always hid her past," he said. "That makes you interested in your own history when you're the son."

Today, Stephan is a "restitutslak," local slang for the new class of Czechs who have claimed property seized by the communists. He has already gotten back the Bubenec villa, which is occupied by an embassy, and is still fighting to get back other properties.

"I know my grandfather suffered — and how he suffered — from not getting back the things. He died on a vacation in Salzburg in 1974, and he died with the plans of the house in Bubenec in his luggage," said Stephan. "Can you imagine."

SWISS: *Jewish Group Reaffirms Lawsuit*

Continued from Page 1

fact that "the wisdom of Solomon and not the wisdom of the bankers" will be used in adjudicating any claims to the dormant accounts.

People with valid claims on Swiss accounts have been turned away in the past because they could not produce documents.

"In Auschwitz," he said, "they did not provide death certificates or return check stubs."

Some of the names issued by the Swiss Bankers' Association on the Internet Wednesday (www.dormantaccounts.ch) coincided with a list published by the Wiesenthal Center on the World Wide Web early this year (www.wiesenthal.com). That list was based on documents found in U.S. Treasury archives.

Michael Hausfeld, the lawyer leading the class-action suit, was confident that the U.S. federal court in Brooklyn would decide to hear the case. He said the affair of a Swiss bank guard, who rescued Holocaust-era documents from the shredder of Union Bank of Switzerland, had created a powerful backlash against the banks.

The guard, Christophe Meili, 29, who fled to the United States after being dismissed and receiving death threats, was granted permanent residence in America this month.

QATAR: *Natural Gas Reserves Set to Give the Emirate Vast Wealth*

Continued from Page 1

Once there is money to spare, the country's emir, Sheikh Hamad ibn Khalifa Thani, has indicated that one of his top priorities is to create a high-quality university for this nation of less than 600,000 people.

The emir — who pushed aside his father in June 1995 — and his advisers have made clear that they hope to learn from the mistakes of other rich Gulf nations. They don't want Qatar to become another Saudi Arabia, which has had to contend with a public backlash bred by internal resentment as many of its citizens have watched their living standards shrink while their leaders have acquired more palaces and weapons.

"Normally, wealth makes jealousy," the emir said in an interview. "And if you ask whether money could bring problems, yes, it could bring problems."

In conversations with associates, the emir also has indicated that he is aware of the risks of blurring the lines between government and commerce that is so common in the Gulf region.

Qatar's foreign minister, Sheikh Hamad ibn Jassim al Thani, for example, is also one of the country's most visible businessmen. One of the first steps the new emir took, officials said, was to reduce the privileges enjoyed by the royal family and to prohibit officials from traveling abroad on government money unless it was for official business.

The obstacles to transforming Qatar's gas into wealth have been monumental, and for years the previous emir, Sheikh Khalifa ibn Hamad al Thani, was hesitant about borrowing heavily abroad to finance the project.

While Sheikh Khalifa was on the throne when the project was begun, the current emir, Sheikh Hamad, who ran the government's day-to-day affairs for three years before taking supreme power, has been the driving force behind the gas project, according to Western diplomats and industry officials.

To set up operations at Ras Laffan, 80 kilometers (50 miles) north of the capital, Doha, and to dredge an enormous port from the shallow coastal waters, Qatar has spent nearly $18 billion. That figure goes well beyond the government's relatively modest $3.6 billion in revenue last year.

With total costs expected to exceed $20 billion, Qatar will be paying off its banks and other creditors for at least the next five years. But if all goes as planned, the financial squeeze should ease around 2002, experts and Qatari officials say.

By then, Qatar should net at least $7 billion from energy products a year, most of it from natural gas, a relatively clean fuel for which world demand is expected to double in the next decade.

While not practical for most transportation needs, natural gas can be adapted to nearly every other industrial use with far less environmental damage than that caused by burning coal or oil. The main obstacle to its wider use has been that it is generally much harder than oil to move from where it is produced to where it is needed.

"This country took some big risks, but right now it's looking as if they will pay off," an international banker here said.

With the deliveries that have already begun, Qatar has become the third-largest supplier of liquefied natural gas to Japan, the world's biggest consumer. Indonesia and Malaysia are the first- and second-largest suppliers to Japan.

In a separate project, where deliveries are expected to start in 1999, agreement has been reached with South Korea on a contract that will establish Qatar as its second-largest supplier after Indonesia.

Officials of the government-backed Qatar General Petroleum Corp., the majority shareholder in both enterprises, have been aggressive in courting other customers, which could include Turkey and Thailand.

By the end of the decade, their target is for Qatar to export 12 million metric tons of gas a year; in the longer term, the North Field is capable of producing as much as 30 million tons a year for export.

MEAT: *Vegetarian Protests Dog Wienermobile, but Kids Relish It*

Continued from Page 1

Mr. Friedrich said, meaning Wienermobiles, "and there are more than 400 stops nationwide."

PETA has marshaled resources sufficient to target 50 of those stops, including the one in a parking lot outside a supermarket in the blue-collar Baltimore suburb of Dundalk.

"Vegetarians Attack Wienermobile," read the headline on the news release that PETA issued in advance. In smaller type: "Company Uses Children to Promote Cruelty to Pigs."

The children began arriving before 9 A.M., tots clutching motherly hands and climbing under the rope of colored flags tied around overturned shopping carts. They had come to sing the "Oscar Mayer Wiener Jingle" or the "Bologna Song" (their choice) in front of a video camera, as they had been invited to do by commercials and print ads during the previous two weeks.

Touring the country in a "talent search" for cute kids to star in commercials is the Wienermobile's regular summer assignment. (Winters are spent doing goodwill tours and sports events.)

"Who wants to practice?" asked Mike Ballog, one of three all-American types in Oscar Mayer T-shirts who travel in the Wienermobile. A little boy hopped and clapped. "I do!"

Another boy stood at the microphone with his cap on backwards. He was about to start singing when the chanting started:

"Cruelty we won't tolerate! Get the slaughter off the plate!"

The sound began beyond the minivans. Four people were marching toward the assembled kids. Each carried a sign: "Did your food have a face?" One was dressed in a pig suit.

"Oscar Mayer is to blame! Exploiting children is a shame!"

The kids froze. Several stared at the ground.

The boy at the microphone began to sing, but his words were drowned out. Two of the PETA people had bullhorns.

They marched up to the rope. Inside it, adults began to fume.

"Oh, that makes me so mad!" Angel Brown informed the mother next to her. "They're doing more harm to these kids than any hot dog could."

She looked down at her daughter, Emily, 4. "Emily, don't listen to this, O.K.?"

Emily did not seem to know what was going on. She asked her mother what "slaughter" meant. Nearby, another little girl wanted to know why adults were allowed to be so loud.

Ms. Brown, meanwhile, worked her way toward the protesters. She pointed at their feet. "Wait, wait!" she cried. "I do see leather shoes!" Ms. Brown clearly knew how to hurt an animal-rights protester.

"I'm a vegetarian," she said. "Have been for 18 years. I don't eat meat or meat byproducts."

Emily does, though. "I've got no choice but to feed her meat, for health reasons," Ms. Brown said. "Little kids need some meat. She can't take a protein supplement."

The protesters backed away a bit. And though the chants stayed angry ("Stop the torture! Stop the pain! Oscar Mayer is to blame!"), the chanters began to look a little uncertain themselves. The three television cameras that had arrived with them were now focused on the stricken faces of small children caught in some strange adult cross-fire.

The group clearly had bitten off more than it could chew.

"People really love the Wienermobile," Mr. Ballog said.

Bill O'Leary/The Washington Post

Anti-meat protesters crashing a promotional event in Maryland featuring the "Wienermobile."

BOEING: *EU Gives Green Light to Deal*

Continued from Page 1

ment definitively next week after informing EU member states.

"I am happy that the threatened trade conflict between Europe and the U.S. could be avoided through last-minute concessions by Boeing," Germany's economics minister, Guenter Rexrodt, said.

Shareholders of Boeing and McDonnell Douglas were scheduled to vote Friday on the acquisition, which would take effect Aug. 4.

Mr. Van Miert took pains to defend his handling of the case, saying his motivation was to ensure competition in the European aircraft market rather than to defend Airbus, as several U.S. congressmen have alleged. He blamed Washington for initiating talk of a trade war and insisted that Boeing's concessions, including its agreement to drop an exclusive-supplier clause in long-term contracts with American, Continental and Delta airlines, had been substantial.

"In spite of all the phone calls, in spite of all the pressure, I was able with the support of my colleagues to maintain our position to the very end," he said. "Our duty is to keep the market open, and that is exactly what we have been doing." He said he had pressed Boeing to seek a buyer for McDonnell's commercial-aircraft subsidiary but gave up when Airbus declined to make an offer.

Mr. Albrecht said it had been a "difficult decision" for the company to give up the exclusivity clause because the airlines would retain deep discounts and flexibility over delivery times and models. He said he only became convinced that Mr. Van Miert would not budge on the point at a meeting in Brussels on Friday.

To most analysts, Boeing's concession was more gesture than substance. Major airlines are moving toward sole-supplier arrangements to reduce operating costs, and the three airlines are still committed to buying at least 244 Boeing aircraft valued at more than $17 billion.

"The final concession by Boeing on exclusivity has little practical impact on the competition between Boeing and Airbus Industrie," said Chris Avery, aerospace analyst at Paribas in London. "Airbus has far greater potential to win market share from Boeing through a reorganization of its structure and a consequent reduction of its costs," he said.

The stock market appeared to agree. In late trading in New York, Boeing's shares rose by $3 to $59.375, and those of McDonnell-Douglas were up $5 at $76.75.

The accord does not cover subsidies to the industry, which are likely to become the focus of trans-Atlantic discussions in the next few months.

Outline of Accord By Boeing and EU

International Herald Tribune

Here are the main undertakings agreed to by Boeing Co. in return for European approval of its acquisition of McDonnell Douglas Corp.:

- Boeing agrees to drop an exclusivity clause in long-term contracts with American Airlines, Delta Air Lines and Continental Airlines and to avoid entering into any other exclusive contracts for 10 years, except where another manufacturer has offered an exclusive arrangement. Other parts of the three contracts, which commit the airlines to buying at least 244 aircraft valued at more than $17 billion, are not changed.
- It agrees to maintain McDonnell's commercial-aviation subsidiary, Douglas Aircraft, as a separate legal entity for 10 years and agrees not to abuse its servicing arrangements with airlines to obtain unfair advantages in bidding for replacement aircraft.
- Boeing agrees to license any patents obtained under U.S. government-funded contracts on a reasonable-royalty basis and to report them to the European Commission.
- It agrees not to unduly interfere with actual or potential relationships between its suppliers and other commercial-aircraft manufacturers, notably Airbus Industrie.

ULSTER: *Protestant Parties Reject Proposal for Disarmament*

Continued from Page 1

jor setback," but one that could be overcome through negotiation. The Reverend Ian Paisley, leader of the hard-line Democratic Unionists, pronounced the peace talks dead, because, he said, "The governments have surrendered to the IRA."

Officials noted that if a compromise on disarmament could be worked out with the mainstream Ulster Unionists of David Trimble, the September talks could progress without Mr. Paisley. If the two Catholic parties — Sinn Fein and the Social Democrats — and the Ulster Unionist Party agree, a settlement of the 28-year-old sectarian warfare could be reached by next May and put to voters in Northern Ireland and the Irish Republic for approval.

Anticipating the unionist rejection of the proposal, Prime Minister Tony Blair said in the House of Commons in London that "it is our desire to see decommissioning during the course of the negotiations" and that he would seek a compromise.

"We still believe it is better to have the cease-fire than not and it is better if we can, consistent with principle, to have people talking rather than fighting," Mr. Blair added. He has said that Sinn Fein may enter the talks if the cease-fire proves to be genuine over the summer.

The Northern Ireland secretary, Marjorie Mowlam, said of the rejection, "It's not a disaster, it's a setback."

The disarmament issue has blocked progress in the formal peace talks that began here 13 months ago. Many officials and analysts say that disarmament is a false issue in terms of security, but that it is crucial because it is a matter of honor, particularly to the IRA.

Sinn Fein and the Protestant unionist leaders alike use the issue for their political purposes. Sinn Fein argues that the IRA will not disarm until there is a full political settlement reached at the talks because it needs its estimated 100 tons of weapons, including guns and explosives, to defend the Catholic community against Protestant paramilitaries and the British security forces.

In an interview Tuesday, Martin McGuinness, the No. 2 official of Sinn Fein, said, "I met a man on the street this morning who said, 'Even if the IRA did decommission, the unionists would come up with another excuse,' " to avoid sitting at a peace table with Sinn Fein.

Unionist leaders like Mr. Trimble say they simply will not sit at a table with Sinn Fein until the IRA has actually begun disarming. But he does not address the fact that the IRA could easily replace any weapons it turns in during the negotiations.

The Catholic guerrillas of the IRA and the Protestant fighters say they must hold arms to defend their communities. But unlike leaders of the major Protestant unionist parties, the smaller Protestant groups — the Progressive Unionist Party and the Ulster Democratic Party — affiliated with paramilitary organizations are willing to sit down with Sinn Fein, facing across the table people once regarded as murderous enemies.

Both the Catholic and Protestant paramilitaries, noting that to make peace one must talk to the enemy, point out that disarmament in other guerrilla wars — in South Africa, in the Middle East, in Central America — began only after significant progress was made on political questions. They say that would develop in Northern Ireland if the talks to begin in September also make progress.

ASEAN: *Membership of Burma and Laos Could Test Bloc's Unity*

Continued from Page 1

grow in size," said the Philippine foreign secretary, Domingo Siazon. "More importantly, we want the ties among ourselves to deepen and strengthen so that ASEAN will one day become a genuine regional community."

Such a community, he said, would elude the region if it ignored the importance of what he called "the moral and human" dimension of development.

"That dimension is reflected in certain values that are held dear by all our peoples," Mr. Siazon said. "Without those values of tolerance, patience, openness and consensus-building — in short, all that have made it possible for our nations to willingly share risks, responsibilities and rewards — there would be no ASEAN today."

The ASEAN bloc — which now has a combined population of more than 480 million and a total economic output of $630 billion — is widely considered to be the most effective and influential grouping of countries in Asia.

The founding members of ASEAN are Indonesia, Malaysia, the Philippines, Singapore and Thailand. Brunei joined in 1984 and Vietnam in 1995. Enlargement was intended to heal regional divisions dating from the Cold War and the colonial era before it. It also was intended to increase the organization's international leverage and the region's economic prosperity.

But some analysts and officials said it could instead complicate the group's decision-making and slow its progress toward regional free trade just when the process needed to be accelerated to help restore business and investment confidence.

"Diversity is not a guaranteed formula for diplomatic strength," said Michael Leifer, professor of international relations at the London School of Economics and Political Science. "Enlargement may give rise to even greater problems than those for which it is intended to provide a solution."

Now that Burma's military regime had succeeded in gaining ASEAN membership, despite calls from the United States and other Western countries for a delay until it improved its human and political rights record, Rangoon could maintain its hard-line policies, some analysts said.

Such intransigence would embarrass those ASEAN members that expect it to reciprocate for admission by easing repression and opening talks on political reform with Daw Aung San Suu Kyi, the leader of the opposition National League for Democracy.

Although ASEAN is often seen as primarily a political organization, much of its work involves promoting economic cooperation among member states in trade, investment, energy, finance, banking and currency stabilization.

But on that front, the region's central banks have proved powerless to resist heavy speculative pressures on the currencies of four ASEAN members — Thailand, the Philippines, Malaysia and Indonesia — despite well-publicized pledges to work together to do so.

As a result, there has been turmoil in Southeast Asia's foreign exchange and stock markets and doubts about future growth prospects, as the four currencies have been forced into effective devaluations this month.

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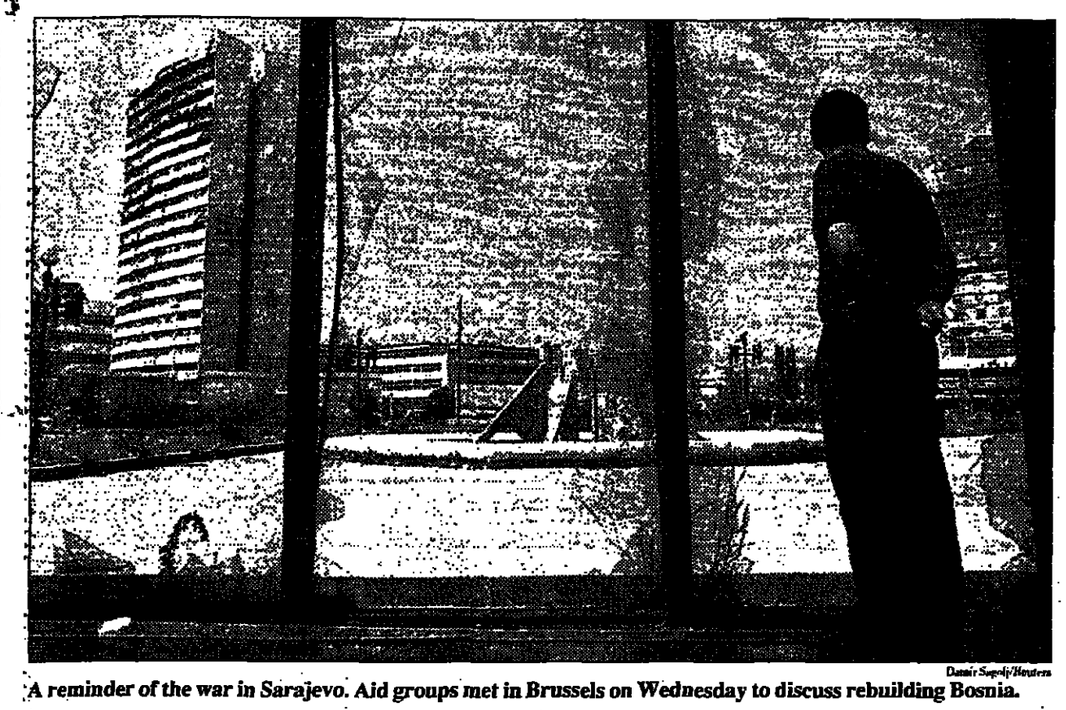
EUROPE



Damir Sagolj/Reuters

A reminder of the war in Sarajevo. Aid groups met in Brussels on Wednesday to discuss rebuilding Bosnia.

Milosevic Exchanges Presidencies

By Edward Cody
Washington Post Service

BELGRADE — Slobodan Milosevic resigned as president of Serbia and immediately took over as president of federal Yugoslavia on Wednesday, culminating a remarkable comeback that preserves his role as a key Balkan power broker.

The change of titles, symbolized by a solemn swearing-in ritual in the federal Parliament, meant Mr. Milosevic is still the unrivaled leader in what is left of Yugoslavia and a champion of Serbian nationalism to be reckoned with as the United States and its NATO allies seek to restore stability in Bosnia-Herzegovina and the other ethnically riven nations of southeastern Europe.

Mr. Milosevic, widely blamed for the bloodshed that accompanied Yugoslavia's breakup five years ago, won his new office in a deft political sidestep around a constitutional ban that blocked him from a third four-year term as president of Serbia. His move, skipping seamlessly from one presidency to another, demonstrated again that he retains a firm grip on authority throughout the diminished Yugoslav federation of Serbia and Montenegro.

"Our political scene is still shaken by party conflicts that are often incited from the outside," he declared in a 10-minute inaugural address that strongly suggested his opponents in Belgrade, although weakened at home, get inspiration from abroad.

"Our society is shaken by different forms of social unrest and destruction dominated by crime, from the economy to the street," he added, acknowledging times are tough for the federation's 10 million Serbs and 600,000 Montenegrins. But he indicated these problems, too, come from elsewhere, saying: "These are the inevitable consequences of the blows our society has been dealt in a short period of time."

Hundreds of demonstrators blew whistles and pelted riot police with shoes in the avenue outside as Mr. Milosevic took the oath of office. But inside the Parliament building, the smooth inauguration for a new five-year mandate seemed to indicate that the political wounds he suffered during last winter's protests have now largely healed.

In that light, analysts predicted Belgrade politics from now on are likely to revolve less around demands for political opening from a split and dispirited opposition than around Mr. Milosevic's back-room maneuvering to expand the powers of the Yugoslav presidency, which have been mostly ceremonial.

"He will try to take all the instruments of power," said Slobodan Vuksanovic, a member of the Serbian Parliament from the opposition Democracy Party.

"He will try to have the police, the money, the banks, everything."

Mr. Milosevic's effort so far has centered mainly on Montenegro, where the republic's fractured government has feuded over how much support to offer him in the federal Parliament.

A Montenegrin faction led by Prime Minister Milo Djukanovic blocked Mr. Milosevic's attempt to change the constitution so the federal president would be elected by direct suffrage, a shift that would have enhanced his powers enormously. But Mr. Milosevic nevertheless found enough Montenegrin votes in the federal Parliament to help him win the presidency July 15.

Another looming battle is the election to replace Mr. Milosevic as president of Serbia. A pliant Serbian president is essential if Mr. Milosevic is to have smooth sailing as federation president, analysts here pointed out.

Milorad Vucelic, vice president of the Socialist Party of Serbia, said Wednesday that the vote has been scheduled for Sept. 21. He suggested the Socialist candidate will be Zoran Lilic, who as federal president over the last five years has been a reliable Milosevic underling.

Donors Pressure Bosnian Serbs

Aid-Givers Say War-Crimes Suspects Must Be Turned In

Compiled by Our Staff From Dispatches

BRUSSELS — A two-day international donor conference on Bosnia opened Wednesday in Brussels with a clear warning to the Serbs that they may be denied aid because of their failure to hand over indicted war criminals.

The Dutch conference chairman, Hans van den Broek, said aid could not be justified to parties who "oppose and frustrate" the goal of postwar reconciliation in Bosnia-Herzegovina.

The European Union, which supplies almost half of the reconstruction aid to Bosnia, has said the Serbs must turn over the war-crimes suspect Radovan Karadzic before it resumes aid. The Union is leading the conference with the World Bank.

Under the Dayton peace accords, the parties pledged to hand over those indicted by the UN International Criminal Tribunal for the former Yugoslavia.

Mr. van den Broek said humanitarian assistance to Republika Srpska, as the Bosnian Serb entity is known, would be continued but said that the "overall political and economic influence" of people who have been indicted in the war-crimes investigation "is such that it would be irresponsible to continue spending public funds for reconstruction purposes."

He said that aid being contributed "is in principle for the whole of Bosnia-Herzegovina and should contribute to reconciliation and lasting peace" and that anyone opposing or frustrating this goal should not be allowed to benefit from the aid.

Bill Richardson, the U.S. representative at the United Nations, said last week that conference participants may decide to exclude the Serbs from the aid package because of their refusal to respect the accords.

Governments and organizations Wednesday pledged about $1.1 billion in aid. Organizers of the conference said the money would go to support industry, the repair of infrastructure and projects to get the local economy moving. Among the 30 organizations taking part in the two-day conference are the World Bank, the International Monetary Fund and the U.S. Agency for International Development.

Bosnian Serbs said in a statement Monday that they did not have high expectations of help from the conference.

International officials are expected to call for a relaxation of the ban on aid to the Serbs to express support for Mr. Karadzic's rival, the Bosnian Serb president, Biljana Plavsic. Serbs received only 1 percent of roughly $800 million in reconstruction aid in 1996. *(AFP, AP)*

France Faces the Unspeakable

Horror Stories Help to End 'Law of Silence' on Child Sex Abuse

By John-Thor Dahlburg
Los Angeles Times Service

BORDEAUX — Even in this season of revealed, repeated horrors, the case prosecutors in Bordeaux are developing is a shocker: A mother is accused of renting her 9-year-old daughter to a neighbor in his 70s so he could fondle her and photograph and videotape their sexual encounters in the woods.

The price per session was 200 French francs ($32), the authorities say.

"It leads you to ask yourself, 'What is going on in our society?' " a member of the prosecutors' office said. "Are telephone sex lines and sexual innuendo in so many advertisements and the omnipresence of sex in movies and on television having some awful side effects that end up victimizing our children?"

This summer, hardly a week goes by without allegations or revelations of new acts of sexual molestation involving unwilling young targets.

Among the accused are some of the most trusted figures in French society — priests, teachers and summer youth-camp counselors.

"What scares parents is that it can be anyone," said Annie Gaudiere, who runs a toll-free national telephone help line in Paris for victimized and abused children. "The problem is that anyone children are close to becomes a suspect."

Last year, it was neighboring Belgium that was convulsed by shock and horror when it was found that Marc Dutroux, an out-of-work electrician, had kidnapped at least six girls, imprisoned them in an underground cell and sexually attacked them.

At least two of the four girls whose bodies have been recovered starved to death in their dungeon after Mr. Dutroux was arrested.

The Dutroux affair further shocked Belgians because of blunders committed by police and prosecutors in investigating the abductions and the high-level protection that Mr. Dutroux and his accomplices appeared to have.

This year, it has been France's turn to realize how vulnerable its children can be.

In large part, law-enforcement officials and social workers involved in protecting minors point out, it is the tragic events in Belgium that awakened the French authorities to the potential risks, that encouraged victims to come forward and that forced the police to take the claims more seriously.

The French have traditionally been reluctant to deal with instances where an adult abused a position of trust and authority to sexually victimize a child.

But soon after taking office last month, Segolene Royal, minister for schools in the new Socialist-led government, said she was scandalized by the "self-defense reflex" of school administrators inclined to protect alleged pedophiles on their staffs.

A child's version of what happened was, more often than not, dismissed out of hand as fantasy or a fabrication, as in a 1967 film, starring the late Jacques Brel, in which a village teacher is wrongly accused of attempted rape by a girl pupil.

Now, however, Mrs. Royal said, "the word of the child is starting to be rehabilitated." She added, "We are removing the law of silence, and it is a good thing."

According to a report circulated among education officials this month, and quoted in the newspaper Le Monde, nearly one child in 10 — boys as well as girls — is a victim of sexual violence in France.

In nearly 90 percent of the cases, the aggressor is the father or stepfather, the report said. In most of the other cases, it is a teacher or someone else in authority.

The psychological damage can be irreparable. Many of the 800 annual suicides by French youngsters occur, Mrs. Royal said, "because they are subjected to sexual aggression that destroys them."

Last month, in what was reportedly the largest police dragnet in French history, gendarmes in nearly all parts of the country — and as far away as the South Pacific island territories of New Caledonia and French Polynesia — raided the homes of suspected purchasers of pornographic videotapes that depict sex acts committed by or involving children.

In the countrywide sweep, 815 people had their residences searched. Five suspects committed suicide soon afterward, prompting civil-rights groups to accuse authorities of engaging in a "witch hunt" to seize media attention.

"Pedophilia seems to have become at once the obsession, the paranoia and the scapegoat for a society stricken with excessive pessimism," Olivier Peretie wrote in the weekly newsmagazine Nouvel Observateur.

"No, the media will never say too much about pedophile crimes," came the stern retort from the actress Carole Bouquet, who belongs to a committee supporting a national campaign on behalf of abused children. "I even think people don't talk enough about it. To remain silent when one knows is equivalent to becoming an accomplice in crime."

Prosecutors, forced to justify their actions, said that in last month's raids, they uncovered evidence about six acts of rape and 29 acts of sexual molestation against minors.

One worker in southern France was jailed on charges of raping two children in his village and videotaping the act.

Near Narbonne in the south, a stock of more than 200 videocassettes depicting child sex was seized from a clergyman's residence.

In Saint Mihiel in eastern France, a mayor's deputy resigned after being investigated.

At the child-help hot line in Paris, calls have nearly tripled since last year, to 8,000 a day.

Many of the calls now come from parents worried about the dangers their children may face at school, in camp or simply when they leave home.

Staff members of the National Telephone Center for Abused Children, while welcoming the new willingness to talk about a topic that was once nearly taboo, are worried that the recent avalanche of media coverage is distracting the public from what should be an even bigger concern.

"Families talk about pedophilia, but when it takes place outside the family," Mrs. Gaudiere, the hot-line director, said. "My fear is that what is going on now will cover up the real problem: physical, emotional and sexual violence committed against children in their own families."

BRIEFLY

EU Agrees to Extend Ban on Offal

BRUSSELS — The European Union agreed Wednesday to ban food products containing a variety of animal parts to counter the risk of "mad cow" disease.

Britain had threatened to impose restrictions on beef imports from other EU nations if they did not agree to raise beef hygiene regulations to match British standards. Under the new rules, brains, eyes and spinal cords of cattle, sheep and goats over 12 months old and spleens of all sheep and goats will be removed from the food chain.

The ministers voted 8-to-7 in favor of the tighter rules. Portugal swung the vote in favor of the British camp after the other nations agreed to delay application of the ban for three months, until Jan. 1.

Germany and Italy opposed the introduction of the new rules, saying they were irrelevant in countries without the disease.

Britain introduced a ban on such offal last year when beef sales plummeted across Europe after the British government in March acknowledged a possible link between a fatal brain disease in humans and the consumption of animals infected with bovine spongiform encephalopathy. *(AP)*

Austria Rejects Jehovah's Witnesses

VIENNA — The government rejected a bid Wednesday by the Jehovah's Witnesses to be legally recognized as a religious denomination.

The Jehovah's Witnesses, who number about 20,500 in Austria, have been trying unsuccessfully for two decades to win recognition.

Education Minister Elisabeth Gehrer said the government could not be responsible for the possible influence of the group through state-financed religious education or private schools.

"I cannot answer for religious instruction that often speaks out against the state," Miss Gehrer said, according to the Austria Press Agency.

The government also objects to what Miss Gehrer called the Jehovah's Witnesses' "intolerant attitude" toward the state, their rejection of blood transfusions, especially for children, and their following leaders in New York instead of Austria. *(AP)*

Plea for Anti-Mafia Law in Europe

ROME — European countries should establish common laws aimed at organized crime, Italy's top anti-Mafia prosecutor said in an interview published Wednesday.

Pier Luigi Vigna lamented that some European countries did not have a specific law against "Mafia groups."

Mr. Vigna told the Rome daily La Repubblica, "It thus happens that many people wanted for very serious crimes live untroubled in countries that do not allow for extradition on grounds of being affiliated with the Mafia." Mr. Vigna also said he agreed with Prime Minister Romano Prodi, who said Sunday that crime would be "the world's No. 1 problem in the 21st century."

Mr. Vigna said, "According to our analysis of the situation, we can already speak of global criminal structures." *(AP)*

For the Record

Two British climbers died after falling more than 700 meters (2,200 feet) on Mont Blanc in the Alps while having their photos taken, the Italian police said Wednesday. *(AFP)*

Greece has expelled at least 3,500 Albanian immigrants since Friday, many of whom complained of having fallen prey to armed robbers when they crossed into their homeland. The border police said about 700 Albanians caught without proper papers had been sent back from Greece in one day. *(Reuters)*

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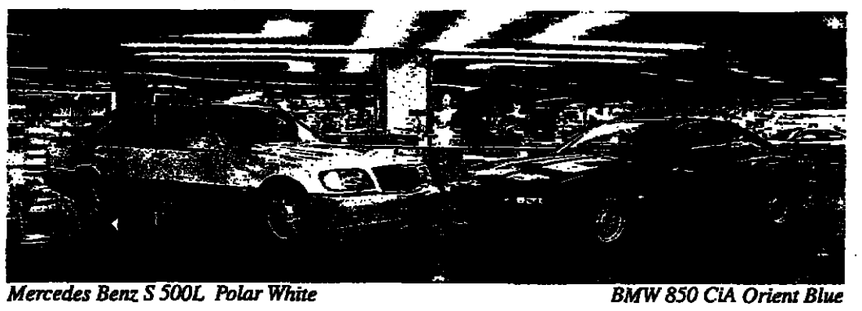

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Berisha Quits As President Of Albania, As Promised

Compiled by Our Staff From Dispatches

TIRANA, Albania — President Sali Berisha announced his resignation Wednesday, fulfilling a pre-election promise and clearing the way for his Socialist opponents to try to end Albania's anarchy.

Mr. Berisha announced his long-expected resignation in a radio broadcast just over an hour before the new Socialist-dominated Parliament convened.

"I declare my irrevocable resignation from the post of head of state," Mr. Berisha said.

He will remain in Parliament as head of a weakened Democratic Party and said he would fight for a free-market system and Albania's acceptance into Western defense and economic organizations.

Mr. Berisha's resignation clears the way for Fatos Nano and his Socialists to choose the president. Their biggest challenges will include collecting weaponry that Albanians looted from government armories and restoring control over the rebellious south of the country.

The news of the resignation was greeted with celebratory gunshots in Tirana and in such anti-Berisha strongholds as Berat and the southern port of Vlore, the flashpoint of protests in March over the collapse of high-interest pyramid investment schemes. Mr. Berisha and the Democrats suffered a huge loss of popularity because of the perception that they had profited from the schemes.

Parliament, elected in balloting on June 29 and July 6, is expected to elect the Socialist Party's secretary-general, Rexhep Mejdani, as president.

Following constitutional court rulings on disputes and some changing of alliances, the Socialists and their coalition allies will have 118 seats in the 155-seat Parliament, while the Democrats have 24.

The Democrats announced several days ago that they would boycott the inaugural session to protest alleged electoral violations by the victorious Socialists.

Meeting on Wednesday, they decided to extend the boycott to all sessions in which the deputies will vote on ruling institutions, said a party source speaking on condition of anonymity.

(AP, Reuters)

Jack Dabaghi/Agence France-Presse

Smoke pouring from the Palais de Chaillot, which houses the Museum of French Monuments and the Cinematheque film library, to the right.

Paris Fire Damages Works in Museum

Reuters

PARIS — A blaze at one of the most popular tourist attractions here damaged works in an architecture museum but spared 30,000 films stored in France's premier film library, officials said Wednesday.

The fire, apparently accidental, broke out on the roof of a wing of the Palais de Chaillot, facing the Eiffel Tower from the Trocadero square, which houses the Museum of French Monuments and the Cinematheque film library. The roof was under renovation, and soldering work had been done during the day.

All 30,000 films in the library were rescued intact, an official said. But the movie museum, situated in a basement and partly flooded, suffered, he said.

The Museum of French Monuments includes plans or models of some of the most famous buildings, including the cathedrals of Notre Dame and Chartres, in the history of French architecture.

For Norway Whalers, Acceptance May Be on Horizon

By Walter Gibbs
New York Times Service

OSLO — A few weeks ago, Olav Olavsen fired his harpoon 18 times and bagged 17 minke whales in the Barents Sea. Each one weighed about two tons and yielded a third of that in dark, purplish meat for Norwegians who like to cook it on the grill this time of year.

Mr. Olavsen's spirits are high now, not just because he reached his catch limit in only seven days at sea, but also because Norwegian whalers may be on the verge of international acceptance.

With the 1997 season almost over and nary a protester in sight, the whalers have enjoyed their most productive hunt since returning to sea five years ago in defiance of the international ban on commercial whaling.

"A few years ago we were considered barbaric criminals," said Mr. Olavsen, whose 70-foot (21-meter) vessel was scuttled at its berth by American protesters in 1992. "But I think the worst of the protest storm has passed. Within three years, we'll be exporting again."

Although Japan conducts a limited hunt for what it calls research purposes and aboriginal groups in several countries hunt for subsistence, only Norway has openly resumed commercial whaling since the International Whaling Commission banned it in 1986.

The country's strategy of resisting world condemnation while gradually increasing its self-imposed quota from 296 minke whales in 1993 to 580 this year seems to be working.

A number of major environmental groups still consider Norway an outlaw, but they have curtailed demonstrations here. More to the point, Norway's two largest environmental groups have declared the minke whale hunt sustainable.

The reason is that after years of dispute over counting methods, scientists with the International Whaling Commission said last year that the minke whale population was robust enough to tolerate a limited hunt — unlike the situation for other species of whales that are still considered near extinction.

The scientists settled on an estimate that there are more than 900,000 minke whales alive worldwide and 118,000 in Norwegian waters.

Earlier, some anti-whaling groups had feared the Norwegian stock to be as low as 20,000.

The peak of anti-whaling activity in Norway was in 1994, when the environmental group Greenpeace International sent speedboats to block harpoon gunners and a ship of the California-based Sea Shepherd Conservation Society collided with a Norwegian Coast Guard vessel.

James Gillies, a spokesman for Greenpeace, attributes the lull now to limited resources, but he says his organization has not given up fighting the minke whalers.

"Norway should abide by international agreements and stop whaling," he said.

But the Norwegian whaling commissioner, Kaare Bryn, draws the opposite conclusion:

"The anti-whalers have lost the numbers game and have to admit there are a lot of minke whales. Unless they see whales as human beings, they have to accept that whaling is really no worse than cod or herring fishing."

In fact, many conservationists do see whales as noble, intelligent singers of songs, but that view carries little weight among Norwegian whale hunters.

Mr. Olavsen admitted being awed last year when eight 90-foot-long fin whales crowded his boat off the Svalbard archipelago.

And when he saw three blue whales for the first time, he videotaped them with the thrill of a tourist on a cruise ship. Still, he has little patience with talk of whale intelligence.

"They are just big mountains of meat," he said.

With a maximum length of 32 feet, the minke is the smallest of the "great" baleen whales and by far the most numerous. All the larger species have been slow to recover despite the ban. Worst off is the enormous blue whale. It was hunted to near-extinction early in this century by whalers from several nations, but most rapaciously by Norwegians.

Norwegian officials assert that minke whale hunting in small boats bears little relation to the open-sea factory ship enterprises that decimated the blue, sperm and other whales. Indeed, since the Viking era, Norwegian minke whale hunters have been more conventional fishermen most of the year.

This fall, for example, Mr. Olavsen is to head out to catch cod and herring, in a seasonal routine once followed by his father and grandfather, and also now by his 30-year-old son, Leif-Ole.

The United States has been the most important defender of the International Whaling Commission ban, contending that any compromise could lead some nations to push ahead and resume unscrupulous or large-scale whaling.

Norwegian negotiators have nonetheless been persistent in international forums. In Zimbabwe this year, most delegates to the Convention on International Trade in Endangered Species looked favorably on a Norwegian proposal to allow limited trade in minke whale products. The measure failed to pass because it did not win a two-thirds majority, but 57 countries voted in favor and 51 against.

"It is the first time there has been a vote in Norway's favor, which people regard as very significant," said Ray Gambell, a British whale biologist who is the International Whaling Commission's executive secretary.

Noting that the organization was established in 1946 to promote rational whaling practices, not necessarily to ban them, he said Norway's momentum could carry over to the commission's meeting this fall.

"My judgment," Mr. Gambell said, "is that the pro-whaling side has put forward a strong and arguable case for a resumption of commercial whaling, with all kinds of safeguards built in to meet the arguments of those governments that have been delaying. Maybe this is the time for a breakthrough."

Mr. Olavsen, at home in the treacherous, Arctic waters around the Lofoten Islands of Norway, is counting on it.

"We are committed to hunting on a scientific basis," he said. "It is nice to know that is starting to sink in."

Germans Evacuate as Dike Bursts Along Oder

Reuters

FRANKFURT AN DER ODER, Germany — Emergency teams evacuated areas along the Oder river on the German-Polish border Wednesday after one dike burst and others threatened to collapse.

Hundreds of German border guards, together with 1,800 soldiers, local police and volunteers worked around the clock with 36 air force helicopters to shore up the banks of the Oder, German officials said.

They evacuated about 250 residents in areas south of Frankfurt an der Oder and 300 additional residents at the confluence of the Oder and Neisse rivers. Officials said, however, that more of the 5,000 residents in the immediate area would be obliged to leave their homes and places of work.

They said that water levels could rise by 20 centimeters (eight inches) during the day and that dikes were so porous that large swathes of countryside and built-up areas could be submerged by flood waters during the first few days of next week.

Across the river in Poland, the authorities said that a new high-water swell was advancing down the upper Oder, some 300 kilometers (180 miles) upstream. They said, however, that it was less serious than the huge swell that affected the same area earlier this month.

"The flooding is by no means over," Alwin Ziel, interior minister of the state of Brandenburg, said in a radio interview.

"There will be another wave," Mr. Ziel warned residents who ignored police orders Tuesday to leave their homes. "Those who are not able to join emergency teams must get out. Time is running out for the evacuation."

Germany has escaped the worst of the flooding, which has claimed more than 100 lives and flooded thousands of homes this month in the Czech Republic and Poland.

The burst dike flooded the area between the villages of Aurith and Brieskow-Finkenheerd just south of Frankfurt an der Oder, and the police were evacuating the last remaining residents there, the local authorities said.

Christos Pantocrator, 1260-1270, Monastery of Chelandari

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BRIEFLY

Taylor Wins Bulk of Liberia Vote

MONROVIA, Liberia — Partial results of Liberia's presidential election show Charles Taylor with more than 75 percent of the votes counted, giving him an unassailable lead over 11 rivals and assuring him the top job he failed to win by arms.

His nearest rival, Ellen Johnson-Sirleaf, said that her Unity Party might accept the final results. The only woman in the presidential race, she polled 45,195 votes, or 9.5 percent, in the partial count. Mr. Taylor's National Patriotic Party got 356,548 votes, or 75.4 percent, from 472,863 votes counted.

One of the contenders, Baccus Mathews, the former foreign minister, conceded defeat Wednesday and endorsed the election as "reasonably free and fair." He called on Mr. Taylor's other rivals to accept the results.

Mr. Taylor's invasion from Ivory Coast in December 1989 opened a war in which more than 150,000 were killed. The economy was ruined and half the prewar population of 2.5 million people has been displaced. *(Reuters)*

Belgian Held in Genocide Case

NAIROBI— Kenyan authorities arrested a Belgian man wanted by the UN war crimes tribunal in connection with the Rwandan ethnic massacres of 1994, the court said Wednesday.

He was identified as Georges Ruggiu, 40, a former presenter for an extremist radio station, Radio Mille Collines, which urged Hutu to kill Tutsi during the four-month genocide in the central African country.

Mr. Ruggiu is the first non-Rwandan detained in connection with the massacre of more than 500,000 people, most of them Tutsi and Hutu moderates. *(AFP)*

South Africa Will Arm Rwanda

PRETORIA — The South African government is to resume sales of military equipment to Rwanda and is prepared to consider supplying it with lethal weapons, a cabinet minister said Wednesday.

Pretoria suspended weapons sales to Kigali last November, citing fears that South African military equipment could be used to fuel conflicts in central Africa's Great Lakes region.

Kader Asmal, who is minister of water affairs and forestry as well as chairman of the government National Conventional Arms Control Committee, told reporters Wednesday that the resumption was prompted by what he called changed circumstances in Rwanda and the need for that country to restore peace. *(AFP)*

Extremists Massacre Algerians

ALGIERS — Attacks in three Algerian villages have left as many as 56 people dead, many with their throats slit, in the past three days, press reports said Wednesday.

Thirty-nine people, including a family of 15, were massacred in the village of Yemma M'ghita in the Blida area Tuesday, the daily newspaper Le Matin reported.

Also Tuesday, an armed group of about 20 men killed eight people in attacks on two families in the nearby garrison town of Benachour, slitting the throats of four women and three men and decapitating a three-year-old child, the paper said. *(AFP)*

German Had Bomb, Cuba Says

HAVANA— A man carrying a German passport has been arrested, reportedly for planting an explosive device in the tunnel that runs under Havana Bay.

There was no evidence that the device had exploded.

The German Foreign Ministry confirmed Wednesday that a man with a German passport had been arrested Saturday in Cuba. She declined to give details on the man's identity or the reasons for his arrest.

The Madrid newspaper El Pais identified the man as Michael Reeb. But the Mexican government news agency Notimex called him Michael Reeve. The reports quoted unidentified sources and a woman who said she had been renting a room to the man. *(AP)*

Vice President Is Found Guilty

GUATEMALA CITY — Gustavo Espina, former vice president, was sentenced to four years in prison or a $1,200 fine Tuesday for violating the constitution during a 1993 coup attempt engineered by the president at the time, Jorge Serrano.

The trial marked the first time in the nation's history that a vice president was tried for actions committed during his term. Prosecutors said Mr. Espina supported Mr. Serrano's move to dissolve the legislature. Mr. Serrano was removed soon afterward by the military.

Mr. Espina is barred from public office during the years of the sentence. *(Reuters)*

For the Record

The ruling Alliance for Democracy in Mali swept weekend elections that were boycotted by most opposition parties, the electoral commission announced Wednesday. *(AFP)*

صفحة من الأهرام

Chapter's End in Pol Pot Mystery?

The Truth of His Fate in the Jungle Remains in the Shadows

By Keith B. Richburg
Washington Post Service

PHNOM PENH — In the wake of the bloody coup by the Cambodian strongman Hun Sen, a once-central player in the country's long-running tragedy has been momentarily forgotten — Pol Pot, the shadowy and notorious Khmer Rouge leader who was responsible for the deaths of more than a million Cambodians.

For two weeks in June, Cambodia and much of the rest of the world were transfixed by a bizarre drama supposedly unfolding in the remote northern jungle region. Mr. Pol Pot, described as old and dying of malaria, was said to be held prisoner by the guerrillas he once led, under arrest in the isolated village of Anloug Veng after ordering the execution of his defense minister, Son Sen, and Son Sen's family.

There was even some "proof" offered for the unlikely turn of events — grisly photographs of Mr. Son Sen and his once-powerful wife, Yun Yat. There was an unusual Khmer Rouge radio broadcast on June 15 beginning, "Treason by Pol Pot took place ..." There was an announcement by a top general, Nhek Bun Chhay of the royalist Funcinpec party, that he had seen the ailing Mr. Pol Pot confined to a house.

And there was the heady possibility that the notorious dictator might be brought before an international tribunal to answer for his crimes during his brutal rule from 1975-79.

But now Cambodians, diplomats and longtime Khmer Rouge-watchers are asking: How much, if any of it, was true? Is Mr. Pol Pot still under house arrest? If so, where is he now? And will he ever be brought to justice? No one knows. The events in the remote jungle last month remain a riddle. And so powerful is Mr. Pol Pot's evil mystique that many here are openly doubting he was ever under arrest. Some believe Mr. Pol Pot himself masterminded the tale of his abduction.

"I've never believed Pol Pot is arrested or surrounded," said Youk Chhang, a Cambodian-American who survived the Khmer Rouge genocide and returned here in 1995 to run the Documentation Center of Cambodia, which is collecting evidence on the Khmer Rouge killings. "It's part of the game. We know they lie, but we tend to want to believe. They've been lying for 20 years. I think many Cambodians don't believe it either."

'We know they lie, but we tend to want to believe. They've been lying for 20 years.'

Christophe Peschoux, assistant director of the UN Human Rights Center and a researcher on the Khmer Rouge, said, "My feeling is that Funcinpec has been duped."

Asked if Mr. Pol Pot himself may be behind the abduction reports, Mr. Peschoux said, "That's my feeling, yes."

Much of the confusion about the June events at Anlong Veng stems from the mystery of Mr. Pol Pot himself, who relished intrigue and who, despite his worldwide notoriety, remains largely unknown. He has been reported variously to have stepped down from active duty in the Khmer Rouge, to have died of malaria or to be living in exile in Thailand. Since 1992 there have been no speeches read on Khmer Rouge radio attributed to Mr. Pol Pot, and there have been no confirmed sightings of him.

According to one theory gaining currency in Cambodia, some of the hardliners among the Khmer Rouge may have decided it was time to come in from the forest and join the political process. They would have recognized that their association with Mr. Pol Pot made them unpalatable to Cambodians and the world.

Some say Mr. Pol Pot may have stepped aside voluntarily, allowing himself to become the public scapegoat for the worst crimes of the past, so that the movement could continue without him. Another version of this theory is that he never ceded control but was behind an elaborate ruse to get his guerrillas reintegrated into the political system.

Others contend that the revolt may have been genuine, but that Mr. Pol Pot was never arrested — and that the hardliners in revolt never intended to turn over their leader to face international charges that would have implicated the entire movement.

"I never thought much that he would be turned over," said a Western diplomat and longtime analyst of the Khmer Rouge. "I thought there was a chance he might be turned over dead. I think it's possible, though, he may have been a real prisoner."

"The party may have decided that to survive, they had to get rid of this albatross," he added.

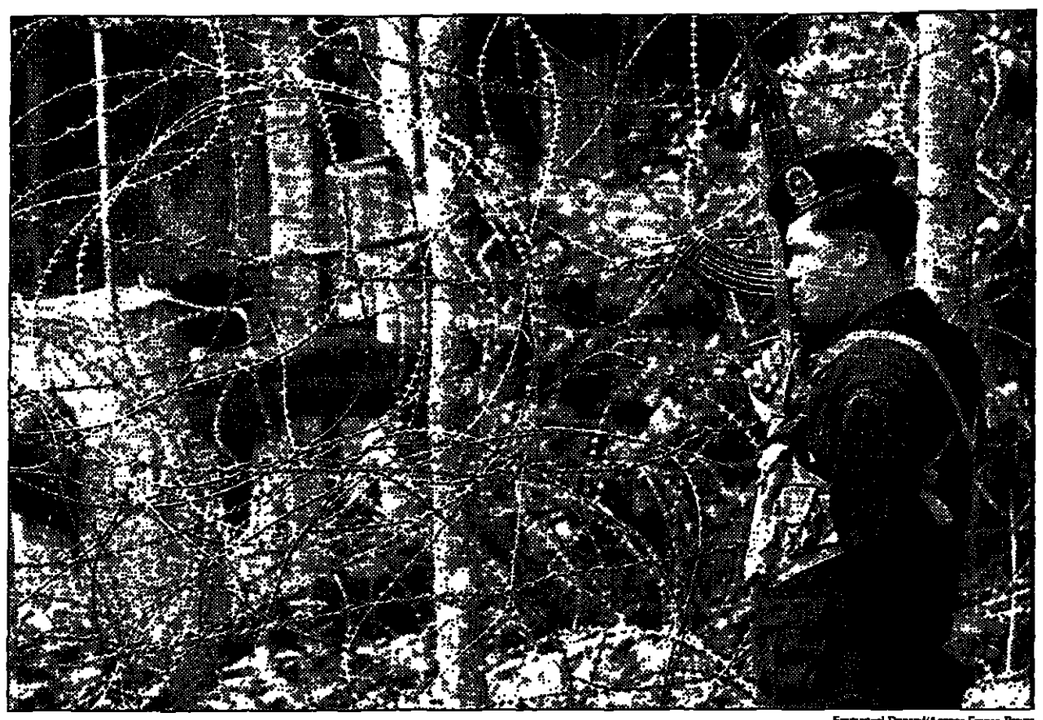
One theory is that Mr. Pol Pot died before the bizarre stories started leaking out from Anlong Veng. According to this version, his death might have sparked a power struggle between those who wanted to defect and those who did not.

The major source for the Pol Pot story was the now-exiled Funcinpec leader, Prince Norodom Ranariddh. He told reporters in Phnom Penh that he had been negotiating secretly with the Khmer Rouge hard-liners and had held an undisclosed meeting with Mr. Pol Pot's longtime assistant, Khieu Samphan, sometime around June 1.

At the time, Mr. Hun Sen warned Prince Ranariddh against entering any alliance with the Khmer Rouge. Mr. Hun Sen later used Prince Ranariddh's negotiations with the Khmer Rouge as the pretext for his coup of July 5 and 6.

The only person claiming to have seen Mr. Pol Pot under arrest at Anlong Veng was General Nhek Bun Chhay, the Funcinpec military commander, whom Phnom Penh journalists and scholars call unreliable. The general did not produce any evidence to confirm his reported sighting and he disappeared during the July fighting in Phnom Penh.

The one thing that seems certain in the Pol Pot mystery is that the events of July — Mr. Hun Sen's violent takeover of the government and Prince Ranariddh's ouster and exile — make it more unlikely than ever that Pol Pot, if he is being held prisoner, will ever be turned over.



Emmanuel Dunand/Agence France-Presse

A ranger on guard at Chong Chom, Thailand, on the border with Cambodia, which is closed. Thousands of refugees have gathered on the Cambodian side of the border, fleeing clashes between rival Cambodian forces.

BRIEFLY

Hong Kong High Court Hastily Put Together

HONG KONG — Hong Kong legislators Wednesday endorsed 15 local and overseas judges to sit on the newly constituted Court of Final Appeal, despite criticism that the list had been hastily pushed through by the government.

Justice Secretary Elsie Leung said the court, the highest in Hong Kong, had to be set up swiftly because an appeal to an important constitutional case might soon have to be heard. The legislators were asked to approve the list in just one sitting.

Ms. Leung said Chief Executive Tung Chee-hwa had been given the list of recommended candidates only last week by an independent judicial commission, making it impossible to give legislators the list until now. *(AFP)*

China Dissident to Sue Over Rights Violations

SHANGHAI — The Chinese dissident Bao Ge said Wednesday he planned to appeal a court ruling rejecting his attempt to file a lawsuit against a labor camp for violating his human rights.

"The court told me that under Chinese law there is no provision for suing prisons or labor camps," he said in an interview.

Mr. Bao, 33, was released on June 4 from the Shanghai No. 1 Labor Camp, where he stayed three years. This month he applied to sue the labor camp for what he said were human rights violations.

Meanwhile, another dissident, Xu Shuiliang, said in Beijing that he had been given a passport, apparently to encourage him to go into exile. Mr. Xu, 52, said he had received his passport last week. He plans to travel to the United States. *(Reuters, AFP)*

South Pacific Dispute Heats Up in Australia

CANBERRA — The dispute over the government's private criticism of South Pacific countries was fanned again Wednesday with release of what appeared to be an angry Foreign Affairs Department e-mail commenting on Australia's South Pacific policies.

Copies of the e-mail, a memo criticizing the harsh depiction of Pacific affairs by the Office of National Assessments, were given to journalists with notes at a Foreign Affairs Department briefing. Officials said they did not know who had attached the private memo to the notes.

Last week, a top-secret paper that contained a scathing assessment of South Pacific economies and leaders that had been left on a table at a conference was published in the press. *(Reuters)*

Prison Labor in Burma

RANGOON — Burma's home minister has recommended that prisoners should be used to develop the country, an official newspaper said Wednesday.

Convicts serving sentences constitute a "considerable labor force" that should be used effectively instead of being left idle, Lieutenant General Mya Thinn said, the New Light of Myanmar said. *(AFP)*

For the Record

Taleban foes said Wednesday that they were only 25 kilometers (16 miles) north of Kabul. *(AFP)*

The Philippine Army withdrew from a captured Muslim rebel base in the southern Philippines on Wednesday, a week before peace talks were to resume. *(AFP)*

A Hungry North Korea Talks of 'Adjustments'

By Mary Jordan
Washington Post Service

TOKYO — By the end of this week, 80 South Korean engineers, construction workers, telecommunications specialists and doctors will have landed in a place that these days seems more difficult to reach than Mars: North Korea.

The unlikely colony of South Koreans will settle for one year in the hostile land as part of an international effort to build safe light-water nuclear reactors.

By August, new telephone equipment is to be in place for these workers to place the first civilian telephone calls in decades from North Korea to South Korea.

"It's a big deal in the sense that something so unprecedented has happened in an ordinary way," said James Laney, a former U.S. ambassador to South Korea who has just returned from a visit to North Korea.

Mr. Laney, accompanied to Pyongyang by a former U.S. senator, Sam Nunn, said in a telephone interview Tuesday that North Korean officials, proud of their Stalinist system, had "said it will never change."

But Mr. Laney added, "We did talk about adjustments."

Quietly, and under the pressure of trying to keep alive its crumbling, hungry nation, North Korea does seem willing to make some changes.

[The South Korean Red Cross said Wednesday an agreement for more food aid for the North was likely to be signed this week despite a complaint by Pyongyang that the South's offer — of about 50,000 tons of rice and corn — was not enough, Reuters reported from Beijing.

[Lee Byoung Woong, secretary-general of the South Korean Red Cross Society, said talks about the new aid with a North Korean Red Cross delegation had gone well. A South Korean Embassy spokesman, Chang Moon Ik, said Red Cross officials had said they hoped an agreement could be signed after further meetings in Beijing on Thursday.

[A Red Cross official in Seoul said the new aid could be available for delivery to North Korea by October. A shipment by the South of 50,000 tons of grain, agreed to in May, is due to be completed this month. Choe Gyong Rin, the head of the North's delegation, while complaining that the South Korean offer was not big enough, described the talks as "very friendly" and said he was optimistic about their outcome.]

North Korea recently said it would allow civilian aircraft to fly through its airspace, a move that would earn cash for Pyongyang while saving money for commercial airlines, whose jets would no longer need to burn extra fuel to fly around the country.

North Korean officials also have told Tokyo that they will begin allowing hundreds of Japanese wives of North Korean men to return for visits to their homeland.

Last week, Washington nearly doubled its donation, to $52 million of food aid, and for the moment, Washington is guardedly optimistic that North Korea will agree to the next round of preliminary talks aimed at eventually establishing a permanent peace on the Korean Peninsula.

"We have a long way to go," Mr. Laney said after arriving in Seoul from two days of discussions with close confidants of the North Korean leader, Kim Jong Il, in Pyongyang.

At a news conference in Seoul, Mr. Nunn said the food shortage was clearly evident, even in the capital.

"I have never been to a city where we have been driving for two days and where I never saw anyone with food or beverage in their hand," he said.

"Not a candy bar, a soft drink, a sandwich, an orange — anything," he added.

Asked about his impressions of Pyongyang on his first visit there, Mr. Laney said: "I was not prepared to see how the city had declined from the pictures and video I had seen. It is deeply impoverished."

Mr. Nunn and Mr. Laney said they had been invited by North Koreans and, although they were there on a private mission, they would be reporting back to Washington.

They said the North Koreans had told them they wanted far more food and a lifting of U.S. economic sanctions.

"North Korea feels like it's being strangled" by the sanctions, Mr. Laney said.

The Americans also spent considerable time discussing the establishment of better communications with the reclusive North Koreans.

If there were regularly scheduled meetings with North Korean officials, Mr. Laney said, problems such as last week's eruption of gunfire along the Demilitarized Zone between the two Koreas could be resolved out before they escalated, Mr. Laney said.

The former ambassador said establishing a locale like Checkpoint Charlie at the former Berlin Wall might lessen the tension and "demystify" the border, where soldiers of the two sides never speak but stare each other down at a distance through binoculars.

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More Than Just Talk?

The Clinton administration and Congress have become quite skillful at identifying human rights abuses around the world while not doing enough to end them. The latest manifestation of this troubling habit is a new State Department report on the persecution of Christian groups abroad. The study's emphasis on religious intolerance is heartening. But the purpose of the project has less to do with changing American policy toward repressive countries than with scoring political points at home.

The suppression of Christian groups is an important problem that has received insufficient attention from Washington. As the report makes clear, the exercise of religious freedom, and Christian beliefs in particular, is discouraged in numerous countries. China is a leading offender, but the roll call of nations that lack full religious rights includes Russia, Cuba, Egypt, Saudi Arabia, Pakistan and Indonesia, to name only a few.

The State Department's Bureau of Democracy, Human Rights and Labor has provided an unsparing description of abuses against Christians, including the banning of worship services and the arrest of church leaders.

While China gets extensive treatment and a deservedly harsh evaluation, the report by no means rests predominantly on its China section. American friends like Saudi Arabia and Russia are criticized, and even Germany and France are tweaked for hostility toward Christian sects, including Jehovah's Witnesses. Boris Yeltsin on Tuesday courageously vetoed a new law that would severely limit religious freedom in Russia.

Unfortunately, the whole exercise is diminished by the transparent politicking that surrounds it. The review was ordered by Congress to satisfy politically influential Christian groups. The report opens with a grandiose summary of executive branch actions to promote religious freedom abroad that seems primarily intended for the same domestic audience. Now that one faith has been singled out for review, others may press for similar treatment. While much may be learned from these reports, there is a practical limit to how many studies of this kind the State Department can conduct.

Washington's human rights reports are themselves a form of pressure on abusive governments, but they cannot substitute for more direct action. It is one thing for Secretary of State Madeleine Albright to reaffirm the vital importance of religious freedom, as she does in a foreword to the Christian report. It is quite another matter to use American diplomatic and economic leverage to press for human rights and religious tolerance, something that the Clinton administration has not always done, especially with China.

Having gone to the trouble of assembling all this information, it would be nice if the administration unequivocally made human rights a centerpiece of American foreign policy.

—THE NEW YORK TIMES.

Liberia Gets Taylor

Liberians have chosen a strange way to end — if it is ended — the seven-year civil war that has shredded their 150-year-old West African country. They have overwhelmingly elected president the single person most responsible for Liberia's tragedy.

Charles Taylor, a warlord, broke out of a Massachusetts jail where he was being held on embezzlement charges, invaded his country on Christmas Eve 1989 and soon toppled the government of Samuel Doe. Immense ethnic horrors followed.

Mr. Taylor did not finally succeed in establishing his full control, thanks in particular to a West African peacekeeping force led by Nigeria. But now, in elections that appear to have been free and fair, he has won political power over the whole, receiving three or four times the vote of his principal challenger, Ellen Johnson-Sirleaf.

Respectful as Americans customarily are of the verdict of democratic opinion, they will not come easily to the notion of President Charles Taylor. Ms. Johnson-Sirleaf, a former World Bank economist and United Nations administrator, seemed a natural fit for a country desperately in need of massive rebuilding and integration into the regional and world economies. It seems, however, that she was hurt by an association with the country's discredited elite.

Mr. Taylor, although still a figure of contempt in some parts of Liberia, was evidently perceived as a strong and shrewd leader and recently a peacemaker. He had polished up an image of concern for the people — partly by giving gifts obtained through the illicit sale of Liberian diamonds and timber.

The peacekeepers are due to stay in Liberia for at least six months after the installation of a new government. It is hard to think that that is sufficient time to undo the baleful effects of seven years of struggle. Liberians have no choice, however, but to make the best of the political hand they have dealt themselves and of whatever economic hand they will now be dealt by the international banks. Mr. Taylor could reassure foreign opinion if he found a useful place in his government for Ms. Johnson-Sirleaf.

For the chance at rebirth that Liberia may now possess, Nigeria is owed a heavy debt for its contributions in troops, aid and leadership.

What seems strangest of all, however, is that Nigeria should make such a large effort to bring human rights and democracy to a foreign country in the neighborhood when it does not yet enjoy these things for itself. This is a contradiction that self-respecting Nigerians can no longer indulge.

—THE WASHINGTON POST.

Into Herculaneum

Everyone knows about Pompeii, but in some ways the more interesting ancient site is Herculaneum, the smaller town nearby that was also entombed when Mount Vesuvius erupted in A.D. 79. Writing 30 years ago, Frank Brown, director of the American Academy in Rome, called Herculaneum "archaeology's most flagrant unfinished business." The city has never been properly exhumed, partly because it was buried under 20 meters of hot mud lava, while Pompeii was engulfed by volcanic ash.

Ash is easier to dig, but mud lava preserves such perishable goods as wooden beds, fishnets, rope ladders, sacks of grain and papyrus scrolls. Herculaneum is the only excavation in Italy to yield a papyrus library. Hence the interest in the news that Italian archaeologists have resumed work, after a two-century hiatus, at the very seaside villa, which they dubbed the Villa dei Papiri, where 1,800 carbonized papyrus scrolls were found when the Bourbon King of Naples first began tunneling into the hardened lava that covers Herculaneum. News of his finds was soon the talk of Europe. Many hoped that the spade and pick had uncovered the missing plays of Aeschylus, or Sappho's lost verse.

It took years to unroll and read the carbonized scrolls, which in a crushing anticlimax proved to be mostly the dull treatises of an obscure Greek philosopher, Philodemus. But work has resumed at the long-neglected site, and Marcello Gigante of the University of Naples is sure he can find literary treasures in the yet unexcavated Latin wing of the library. Since the villa was evidently owned by Lucius Calpurnius Piso, father of Julius Caesar's wife Calpurnia, the odds favor finding something of wider appeal.

The problem is the cost, perhaps as much as $1 million. Pompeii itself is in grievous need of repair and protection from vandals. Still, by propitious coincidence, the richly endowed J. Paul Getty Museum in Malibu, California, is quartered in a marble gallery whose design was inspired by the Villa dei Papiri. Given its cultural debts to Italy, and specifically Herculaneum, the Getty Museum might favorably consider supporting Mr. Gigante's project.

Besides, finding that lost library would begin to close a historic circle. According to Plutarch, the library at Alexandria, containing all the great works of antiquity, went up in flames during Caesar's campaign in Egypt, where Calpurnia was not foremost on his mind.

—THE NEW YORK TIMES.

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Cyprus: Divorce Could Precede Reconciliation

By Philip Gordon

LONDON — The Cypriots have begun to talk again after a hiatus of more than three years. Under UN auspices and with the guiding hand of U.S. diplomatic troubleshooter Richard Holbrooke, Greek Cypriot President Glavkos Klerides and his Turkish Cypriot counterpart, Rauf Denktash, met near New York from July 9 to 12. They have agreed to pursue their discussions next month in Geneva.

A positive mood in Greek-Turkish relations contributes to the idea that after 30 years of division, a deal on the island might finally be at hand.

The unresolved Cyprus problem creates problems across Europe that are far out of proportion to the island's size.

By ensuring that Greece and Turkey remain bitter adversaries because neither can afford to abandon its Cypriot constituency, the problem forces both countries to maintain far larger and costlier defense establishments than would otherwise be necessary.

The ever present risk of war over Cyprus is a main cause of the Greek and Turkish military rivalry in the Aegean, which last January nearly led to war over some rocky islets.

A war over Cyprus — triggered, for example, by Turkey carrying out its threat to attack a Greek Cypriot air defense system scheduled for deployment next year — would have wider consequences, drawing in perhaps other NATO allies and/or Russia.

The Cyprus stalemate complicates European diplomacy. Turkey's obligation to stand alone over Cyprus isolates it from its desired European partners and drives it toward the fringes of Europe, and Greece feels obliged to put its stake in Cyprus above its relations with the European Union.

Anyone who cares about European security should wish Mr. Holbrooke and his UN colleagues well. But we should also be realistic. A negotiated deal on a unified Cyprus seems no closer than before.

The reasons why a deal has been impossible for more than 30 years — disputes about freedom of movement on the island, the displaced refugees from both north and south, the role of settlers from mainland Turkey, and the insecurity felt by the minority Turkish Cypriots — remain today.

The Greek Cypriots may be ready to take the whole of Cyprus into the European Union, but the Turkish Cypriots have no intention of going along unless their security and political rights can be guaranteed.

If an agreement on a federal state cannot be reached, it may be time to contemplate formal partition. The idea is anathema to much of the international community because based on a sort of ethnic cleansing at the time of the 1974 Turkish invasion. (Some 140,000 Greek Cypriots fled south, and some 40,000 Turkish Cypriots fled north.) But formal partition would be no worse than the current situation.

It would make more realistic the prospects of EU accession for at least the southern part of Cyprus, pending integration of the entire island later.

Second, acceptance of partition would provide a basis for the enduring constitutional order that seems impossible so long as a minority Turkish Cypriot community, with strong memories of prejudice and violence from before the island's division, is not satisfied that it would be safe without protection from the mainland.

Even partition would require negotiating a deal on compensation for lost property and on territorial compromise (with the Turkish Cypriots giving back some of the territory taken in 1974, in exchange for recognition). But negotiating partition might be easier than negotiating federal reunification.

Most importantly, negotiated partition — reinforced by an international military presence — would reduce the risk of war, which will always be present so long as a final political settlement has not been reached.

An agreement to live together in a federation, which would then join the European Union, remains the most desirable outcome of the current talks. But it is highly unlikely. Perversely, Cyprus's division might have to be recognized before it can be overcome.

Once their borders are made clear and their international status is settled, the two sides in the Cyprus conflict, like France and Germany before them, could get on with reconciliation, economic interaction and a stable peace.

The writer, a senior fellow at the International Institute for Strategic Studies, contributed this comment to the International Herald Tribune.

Either Get Back to Alliance Basics or NATO Is in Big Trouble

By Frederick Bonnart

BRUSSELS — The grand summit is past. It was held in the capital of Spain, NATO's newest member, under the chairmanship of its first Spanish, and most charismatic, secretary-general, Javier Solana. This seemed a fitting occasion to celebrate the transformation of the alliance.

But the start of a new NATO is also the demise of the old.

Behind the euphoria, a hollowness has appeared that had not been evident before. The leaders seem unclear about the present purpose of the organization, and therefore about the political and military shape it is to take. Worst of all, strains have shown up in the alliance that indicate weaknesses in its most vital asset: its cohesion.

Already in the run-up to the summit, resentment was visible at perceived American exertion of its power position. A late French proposal for additional candidates was a reaction; it received considerable support from other Europeans.

In a historical first, a NATO summit began without prior consensus, and the leaders were left to fight it out. During it, disagreement was so evident at one point that Mr. Solana felt it judicious to let it be known that the participants had made the maintenance of unity their overwhelming objective.

The summit was supposed to conclude a post-Cold War phase of NATO uncertainty that had begun with perception of a need to justify the alliance.

More than 40 years of increasingly closer military cooperation had led to a rare harmonization of procedures, language, equipment and tactics. That made economic sense, as the security produced in common was far greater than the sum of individual national efforts could provide. Above all, the trans-Atlantic link was recognized as the bedrock of European security.

All that could have been ample justification for keeping NATO. The costs of maintaining the international element of the organization, the political-military framework, are a small proportion of member nations' defense spending.

For the Europeans, the American guarantee would remain. For the United States, the commitment to Europe in peacetime would obviate the need to come to Europe's rescue, at great cost in lives and resources, as it has done twice in this century.

Moreover, the old NATO provided an American forward force projection not only into Western Europe but further afield as well. That was important to America in the Lebanon crisis, the Gulf War and most recently in Bosnia.

However, such justification was considered insufficient to persuade reluctant parliaments to come up with the necessary funding, so other functions had to be found. These ranged from peacekeeping to peacemaking, from crisis management to maintenance of stability, with civil emergency assistance and air-sea rescue thrown in for good measure.

Despite success in Bosnia, even these reasons were considered insufficient. Enlargement seemed the answer. Not only would it be seen as compensation for previous injustices — the abandonment of Czechoslovakia and then Poland to Hitler, and later, together with most of central Europe, to Stalin. It would also be the quick road to the spread of democracy and stability into Europe's East.

For some advocates, enlargement was the way to contain a permanently unstable and potentially dangerous Russia.

But these arguments lacked conviction. Although the principle was accepted in the end, marked conceptual differences began to appear.

These have now spread to the numbers and identities of the candidates, as well as to the timetable for future phases. More tellingly, the argument about costs, and where the necessary funding is to be found, is only beginning.

But the problems are not only in enlargement. Lack of agreement on the command structure prevented promised decision at the summit. The American-French quarrel about the nationality of the commander of the Southern Region is only one element. Other European members now demand installations on their soil for reasons of national rather than alliance interest.

Thus, Spain's bid for a command incorporating the Iberian Peninsula and its dependent islands has angered Portugal, and drawn a threat of a British veto. Greece and Turkey are at odds over proposed headquarters in the Aegean.

However, it is the heavy hand of the United States that is most strongly felt. Washington appears to act as if NATO were its exclusive preserve. Senior American officials on visits to potential candidate countries make promises on behalf of the alliance that are then translated into firm commitments. Teams of senators touring Europe give the impression of considering it a deprived area requesting American support.

Clearly, NATO had to be renewed. But if in the process its main purpose as the guarantor of European security is not to be lost, its leaders should now devise means to preserve it.

A clear definition of its new functions could crystallize them in concrete form into an order of achievable priorities. National administrations could adopt procedures that put alliance cohesion at the head of the list.

The writer, a veteran commentator on NATO affairs, contributed this article to the International Herald Tribune.

American Fear of the Rise of Asia Is Dangerous

By David J. Rothkopf

NEW YORK — In the campaign finance scandals in America, the idea that there is something shocking and surprising about foreign governments or special interests trying to influence political outcomes is disingenuous. They do it all the time, and America does it, too, covertly and overtly.

Are we Americans outraged when the America Israel Public Affairs Committee aggressively advocates pro-Israeli positions, fund-raising at dinners attended by Israeli leaders? Have we noticed the millions that Taiwan spends every year to sway U.S. opinion? Are we offended when European leaders exhort Americans of European descent to promote their positions on NATO expansion or other issues?

Don't we take for granted the highly funded, very visible lobbying efforts of foreign business groups like automakers? Why do we think foreign governments have embassies in Washington, ad campaigns in our publications, parties for legislators and lobbyists?

Would it be a bad thing if John Huang had compromised his security clearance or broken campaign finance laws? You bet. If he did, he should go to jail. Would it be a blow to U.S.-Chinese relations if we could prove that Beijing was trying to sway the U.S. electorate? Well, it didn't help us much with the Chileans when we helped toss out Salvador Allende.

But there is a greater threat: the underlying fears. It is fair to speculate that this particular set of campaign finance scandals has won greater prominence than the string of such scandals that have come before it because the protagonists have Asian names.

Matters are made worse still by the fact that the government in question is China's, the country that has brought together America's extreme right and extreme left in a chorus of high-pitched scaremongering.

The real issue is a deep shift in perceptions about the world and the threats to our nation.

When America was settled, the threat was within, from nature and the natives who fought to retain the land. During the first 100 years of our nation, the threats were from England and factions within our still fragile union. In the early decades of this century, the primary threats were from conflict in Europe. But during World War II, stunned by the attack from Japan, we began a shift in the focus of our concerns.

Despite all the Cold War rhetoric, we never faced the Soviet Union in battle. But during the last half-century we have fought wars in or against troops from Japan, Korea, China, Vietnam, Cambodia and Laos.

To what degree do our actions derive from a fear of the rise of Asia? To what degree do they derive from cultural and ideological gaps?

The Europeans regularly infuriate us on trade issues, but our trade wars have been with Japan. The Russians have been training ICBMs at us for four decades, but when they say they want a break, we give it to them, looking the other way when they machine-gun refugees from Grozny or sell weapons of mass destruction, even as we lambaste the Chinese for similar or lesser offenses.

We are outraged by human rights abuses in Asia, but we ignore similar violations in Latin America or the Middle East.

The second half of the 20th century can be seen to mark a shift in U.S. foreign policy toward a fundamental, ongoing confrontation with the rising powers of Asia.

Escalation of tension between the United States and China is an ominous sign. The manufactured hysteria over China in the campaign finance hearings is another. Coming conflicts over growing trade imbalances will be another. Residual tension over issues like human rights and nonproliferation will exacerbate the problem.

Soon enough, when China's neuralgic relationship with Taiwan reaches crisis point, or some other flash point flares, it will be easy to imagine the exhortations to get involved. But one lesson of this era of conflict with Asia is that the costs of involvement are high and only a total commitment to win at any cost can succeed.

It behooves us to ask whether our historical tilt against Asia is in our interest, or whether we should work to eliminate the sources of such conflict, instead recognizing the positive implications of the fact that America, too, is a Pacific nation.

The writer, an international consultant, contributed this to the Los Angeles Times.

Stop Helping Beijing Get Its Way

By A. M. Rosenthal

NEW YORK — In just one day last week, three stories were reported that told of the stunning successes that the Chinese Politburo has achieved in manipulating America and diminishing it as a credible political player in the Far East.

Journalism, like diplomacy and politics, has failed to show the clear line that connects the stories. Historically, meaning from tomorrow deep into the next century, that failure can be the Politburo's biggest triumph.

One story dealt with China's plan to influence the American presidential race and how Bill Clinton insisted that the agent of Beijing's chief overseas economic commercial partner be given a role in the campaign.

The agent, John Huang, received regular CIA briefings. If the White House does not understand that anything interesting that the CIA told him found its way through his Indonesian masters to their Beijing partners, it would be obscene self-delusion amounting to dereliction of duty.

Another story was about the growing worry in Congress that U.S. intelligence has not kept track of how China's increasing military and political power affects America. The House of Representatives has called for a full report within a year — too long. It appropriated $5 million to hire academics to help America's multibillion-dollar intelligence machinery.

The third story told of how the dissident movement has been crushed in China. The Communists got a free hand when the Clinton administration dropped human rights as a goal of its foreign policy.

The Communists then had no worry about economic penalty for the torture and murder of Chinese guilty of trying to express themselves.

Just another human rights story. But the connecting line among all the successes of China is human rights. The line begins with President Clinton's decision in 1994 to renege on promises he had made in 1992 and 1993 to use economic pressure to help imprisoned Chinese and Tibetan dissidents.

Human rights for Chinese — the right to speak, write and worship as they choose — should be important in themselves to Americans. They should make us cherish and protect our own, inspire us to give a hand to those who have none.

The apologists for China sneer at all that. What are we, missionaries? They say Americans supporting human rights thirst for enemies after the Soviet breakup, and select China for the role.

The opposite is true. Like other police state rulers, Chinese Communists live in fear of their people's desire for liberties. They see American democracy as the danger to the Communist Party, the inevitable enemy. They search out other dictatorships for help in damaging America.

That is why China sells nuclear technology to the likes of Iran. To weaken America — that is the connecting and bottom line in Politburo policy.

For Mr. Clinton, the decision to betray Chinese human rights was the beginning of the line to the other accommodations and appeasements. Could he have brought into his campaign a man useful only because of his links with China, direct or indirect, if he were still standing up to what the Communists were doing to dissidents?

The president's men and women walk the line with him. For career reasons, they pretend to believe his cynical fantasy that deserting human rights would somehow make the Communists improve human rights.

They have said, straight-faced, that it would also persuade the Politburo to safeguard America's security interests — no more sales of cruise missiles and nuclear technology to the Irans of the world. So when U.S. intelligence did report those sales, the administration whined a bit but accepted Beijing's insulting answer that it knew nothing about the sales.

Only one thing prevents Beijing from fully relishing its double victory over Chinese human rights and America's claims to international moral leadership. Beijing has not yet stamped out one human rights struggle — the passion for freedom of worship. As it tries, America's government may remain aloof. America's people may not.

The New York Times.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1897: English Import

LONDON — *The Times*, in a leader on India, says: "It was a just criticism on our rule in India in the early days that we imported too much of the legal system of England, that we tried to find analogies for the institutions and principles peculiar to England, and that we strained both the Hindu and the Mohammedan law in order to make them agree with the views prevalent in Westminster Hall. That fault we have long ago corrected. The effort of our courts has been for many years to give full effect to the native customary law and to guard against the importation of purely English elements.

1922: Political Divorce

BERLIN — Political differences were held to be a valid cause for divorce in the Prussian courts, when Colonel Tschirschky's plea for separation from his wife was granted by the Potsdam court. The former army officer complained that, after the post-war revolution in Germany, his wife became a pronounced Republican and that her views became so offensive to him that he found it impossible to live with her any longer.

1947: French Asylum

PARIS — France decided to open her doors to the 4,500 illegal Jewish immigrants whom British authorities are transporting back from Palestine. A Jewish Agency spokesman suggested that these immigrants may stage a sit-down strike aboard ship when they arrive. François Mitterrand, French Minister of Veterans' and War Victims' Affairs, said: "These Jews may do whatever they choose. We will feed them, and, if they wish to come ashore, France will offer them her hospitality."

صكاك الامل

OPINION/LETTERS

At 50, the CIA Could Use Some Serious Oversight

By Jim Hoagland

WASHINGTON — Marking its 50th birthday, the Central Intelligence Agency needs bold, creative leadership to overcome its current ailments. Instead, the new director, George J. Tenet, starts his tenure by attempting an old bureaucratic dodge: shooting the messenger who brings unwelcome news.

The messenger in Mr. Tenet's sights is Warren Marik, a former CIA officer who disclosed his role in the agency's failed effort to overthrow Iraq's Saddam Hussein in separate interviews with The Washington Post and ABC Television last month.

Mr. Marik's story of the covert debacle, which cost at least $110 million, should have triggered investigations by the agency, the White House and Congress of this particular operation and the future of covert action. Along with the Bay of Pigs in 1961, Iraq stands as the agency's most expensive and embarrassing flop since it was founded in 1947.

Instead, Mr. Tenet has asked the Justice Department to determine if Mr. Marik violated his confidentiality agreement with the spy agency by disclosing classified information.

Imagine Mr. Tenet as the owner of the Titanic who greets news of the luxury liner's sinking by ordering an investigation of the radio operator who sent out distress signals, and you get the picture.

In Washington's labyrinth of bureaucracy and secrecy, a policy failure operates like a shaky bank loan: If big enough, it intimidates everybody connected with it into silence and inaction.

Only foot soldiers like Mr. Marik risk being sacrificed, and only if they pipe up.

Those who draw up the grand schemes and give orders seem to fall effortlessly upward or sideways. John Deutch, the CIA director who oversaw the Iraq debacle, is now comfortably back at MIT and defending the flawed strategy he chose. His deputy was Mr. Tenet, confirmed by the Senate earlier this month as Mr. Deutch's successor.

The current London station chief, who played a key supervisory role in the Iraq failure, reached that exalted position after involvement in the Iran-contra scandal and after failing to spot Aldrich Ames as a Soviet spy when he was Mr. Ames's boss in Rome.

Instead of tackling institutional accountability, Mr. Tenet pursues Mr. Marik, a 52-year-old covert operator who retired six months ago and who spoke out in June hoping to get the agency to shift its strategy in Iraq. Mr. Marik told me Mr. Saddam can be undermined if the agency re-engages in a long-term propaganda and political effort, rather than betting everything on a quick silver-bullet coup scenario.

The new CIA director has asked the Justice Department to consider charges against Mr. Marik even though prosecutions are rarely brought in cases where other agents' identities, sources and methods have not been compromised by the ex-agent. This referral seems to be aimed at intimidating other potential whistle-blowers.

Such an approach smacks of a cynicism that eats at the soul of an agency that must above all else believe in itself and its mission. Bureaucratic dodges and gamesmanship have corroded the core values of America's only true secret service as fundamentally as the loss of the Soviet enemy has clouded its vision of its future.

It is time for Congress and the White House to investigate this idea: Sharply pare down the $3 billion-a-year agency and concentrate its efforts on analysis and on no more than two or three vital covert operations, including Iraq. Listen to veteran and independent-minded agents like Mr. Marik instead of hounding them.

But Congress is as mute as the White House and the agency leadership when it comes to asking sharp questions about the Iraq operation. There is a reason: The debacle in Iraq shows the continuing decline of congressional oversight as a check on mismanagement and misbehavior at the CIA.

There is icing for this cake of investigating the wrong people on the wrong charges. It will come in the Senate hearing into Bill Clinton's campaign finance problems. Republican senators want to know more about the telephone call someone at the Democratic National Committee made to a CIA officer that helped the Middle East financier Roger Tamraz gain access to the White House.

The call went to "Bob," the agent in charge of the failed military campaign in northern Iraq, agency sources tell me. Having sailed through a perfunctory lie detector test on his role in Iraq and been put back to work, Bob's career is at risk today not for his work on coup plots but his role in dialing for campaign dollars.

The Washington Post.

A Night in the Shark-Infested Seas Off Sumatra

By Kathryn Watterson and Sandy Solomon

In January 1996, the state-owned Indonesian ferry KMP Gurita sank in foul weather off northern Sumatra. For days, news reports focused on rescue operations and a shifting death toll. As in similar tragedies, the human story was not always told. Here is one story of survival.

PRINCETON, New Jersey — Now sometimes it seems as if it was only a terrible dream. But last year, when Margaret M. Crotty came up for air in the shark-infested waters off Sumatra, surrounded in the darkness by hundreds of shouting, praying people, dead bodies and debris, it was no dream.

MEANWHILE

Only a few minutes earlier, the 23-year-old American had been among more than 400 holiday travelers on a grossly overloaded night ferry. She was on her way to a weekend of diving and relaxing on a nearby island from her work in a rural village for Save the Children Indonesia.

As the boat began to tilt and people around her panicked, Ms. Crotty found life jackets in a locker and began tossing them to the crowd. There were fewer than 30 life jackets, however, and it didn't occur to Ms. Crotty to keep one for herself. When the boat suddenly jolted onto its side, Ms. Crotty was thrown into the 25-foot locker on the ferry's now-vertical deck. She remembers being under water, confined in a narrow, pitch-black space.

"I thought, 'So this is what it's like to die,'" she says. "'This is it. What a shame.'"

She has no memory of how she fought her way out.

With her ankles bleeding and her left leg virtually incapacitated by a deep gouge, Ms. Crotty, a trained lifeguard, began to try to help people around her to a nearby life raft.

"Most Indonesians can't swim," she said, "especially women." The women wore tentlike garments that quickly became waterlogged and pulled them under. Ms. Crotty pleaded with two of them to remove their clothes, but they refused. A few men were just as stubborn. They turned down her help — mainly, she believes, because she was a woman.

After several hours, the water was littered with bodies — hundreds had drowned — and there was no one left to help. Ms. Crotty decided to set off for a distant light. She worried that sharks might be attracted to the blood from her wounds but decided to concentrate instead on surviving the increasingly rough seas. She used her shirt as a bandage for her leg and the drawstring of her pants as a tourniquet. She knotted the bottom of her pant leg and blew it into a bubble of air to help her float while she kicked with her good leg.

"A lot of the time, I went around in circles," she says. "I bumped into bodies and everything from the boat — doors, bags, lots of shoes."

After hours of swimming, talking to herself, hallucinating and dreaming of sandwiches, it was morning and Ms. Crotty saw another passenger, a man named Jauhari, floating on an orange life jacket.

"It was the biggest relief to see another person still alive," she says, "and he had candy. He offered me a lollipop. We said, 'When we land we'll have a party.'"

Then they were separated; Jauhari disappeared in the heavy swells.

Eventually, Ms. Crotty began to see islands, but again and again, when she tried to approach one, she was swept out to sea on strong currents. Finally she succeeded in getting close to an island by swimming under water. As waves smashed her against a rocky cliff, she spotted a crevice and managed, when the next swell carried her in, to wedge herself inside it.

Then, exhausted after 16 hours of swimming, Ms. Crotty dragged herself up the cliff with the waves sweeping over her. Anemic, dehydrated and with hands raw from the salt water, she managed not to collapse until she had found a safe perch, where she passed out under the midday sun.

About 3 P.M., a rescue party spotted her. She was on the last island before the open sea — 31 miles from the spot where the ferry had gone down. Of the 438 people on the ferry, only 47 survived, including Jauhari, Ms. Crotty and only two other women. Many of those who lived apparently did so because of the life jackets Ms. Crotty had distributed and the help she had given them immediately after the accident.

Ms. Crotty finished out the last six months of her two-year commitment in Indonesia, a job organized by Princeton University, where she had graduated in 1994. She returned to the United States, where she now works as an assistant principal at St. Mark's School in Harlem.

With no hint of irony, Ms. Crotty says: "I want to do what I can to make it easier for our kids. Their resilience in the face of difficult conditions is extraordinary."

This was adapted from an article in the current Princeton University alumni newsletter, "Princeton: With One Accord."

LETTERS TO THE EDITOR

Taiwan and China

Regarding "The West Should Face It: Taiwan Is Part of China" (Opinion, July 10) by Gregory Clark:

Mr. Clark's article does not correspond to reality.

First, it suggests that Taiwan seeks independence and thus is endangering relations between China and the West and the stability of the Asia-Pacific region.

Mr. Clark seems to ignore the fact that Taiwan has always stated, clearly and openly, that it is part of China and that it seeks peaceful reunification. Certainly there are differences over the conception of "one China," but Taipei has never stopped trying to encourage negotiations to resolve them.

Second, Mr. Clark says that the West, having recognized Beijing, implicitly accepts China's eventual right to reunification by force.

Why would France have sold defensive arms to Taiwan if it accepted, as a fact, Beijing's right to military intervention? Why would the United States have sent two aircraft carriers to the Taiwan Strait in March 1996 during missile tests by Beijing?

On this last point, the answer is simple: The United States — like the rest of the West — recognizes that Taiwan is part of China; it hopes for reunification but only if this is achieved by peaceful means.

Moreover, it should be mentioned that last year's American intervention in the Taiwan Strait was in keeping with the 1979 Taiwan Relations Act, the existence of which Mr. Clark seems unaware.

BERNARD PRONOST.
Brest, France.

If ethnicity dictates a nation, as Mr. Clark argues of ethnic Chinese on Taiwan, then my Canada and his Australia are still the property of the United Kingdom — as we are both of basic U.K. stock.

The same type of oppression and poverty that spurred waves of Chinese to sail to Taiwan also prompted the settlement of much of our Commonwealth. The difference is that most in Taiwan are still looking to that day when China, like Britain, grows up to accept her offspring as free family members.

Mr. Clark's few lines are frightening when we ponder their possible consequence, for his Chamberlain-style complaisance toward China would trade Taiwan for a few more Boeing sales.

History shows that China — in Korea, Vietnam and the Taiwan Strait — backs down only when forced to do so. China must be sent the clear message that the people of Taiwan will decide their own destiny.

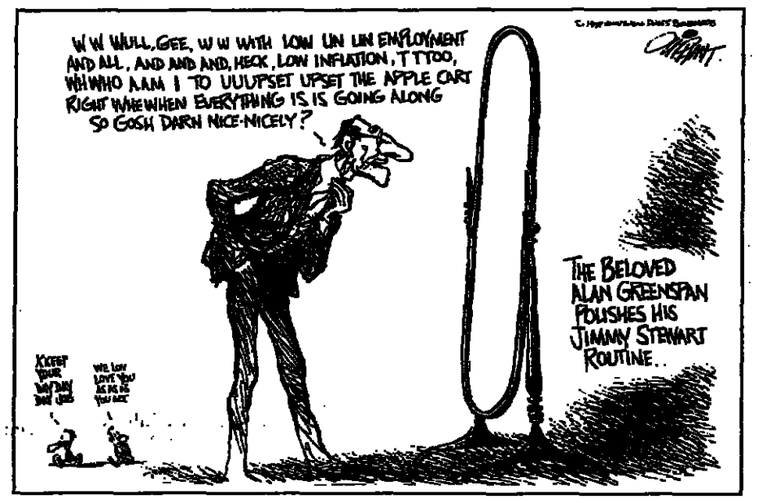
CURTIS SMITH.
Taipei.

ETA Terrorists

It is shameful that you refer to the ETA as a "separatist movement." Please! It is a terrorist group that kidnaps and murders innocent people in cold blood. The murder last week of Miguel Angel Blanco Garrido was just the most recent in a series of barbaric attacks.

Spain has been a democracy for 22 years. The majority of the Basque people condemn the ETA's tactics and goals. The ETA represents only a few fanatics unwilling to accept the decision of the majority to use peaceful and democratic means to decide their future.

G. SINGH.
Barcelona.



BRIDGE

By Alan Truscott

RON Andersen's favorite story concerned the diagramed deal played in a regional team championship.

Andersen recognized a potential opponent and said, "That man is the Wallbanger, and I do not care to play against him because any disaster causes him to go to the nearest wall and hit his head until blood flows."

"It won't happen this time," asserted a teammate, and his offer to bet on the matter was accepted. On the first deal, Andersen bid to six hearts, which appears to be in jeopardy, with three finesses due to lose. He received the lead of the spade jack from the Wallbanger on his left, and won with the king. He crossed to the diamond king and led the heart nine for a finesse.

West won with the king. But when he returned the spade ten, instead of winning with the ace, Andersen ruffed.

West was now convinced that his partner had ruined the defense by failing to play the spade ace on the first trick. There was no wall available, so he hit his head violently against the corner of the table. Andersen came to his rescue.

He took back his trump and produced the spade ace.

While the Wallbanger realized he had been banging for no reason at all, Andersen proceeded to make his slam. He led the heart jack to the queen in dummy and cashed the diamond ace. When the queen did not fall, he threw a diamond on the spade queen and ruffed a diamond. This established dummy's last diamond, and there was no need for a club finesse.

A neutral panel ruled that tablebanging was equivalent to wallbanging, so Andersen collected on his bet. West has given up both activities.

NORTH
♠ Q 4 3
♡ Q 9 7 6
◇ A K 7 5
♣ 7 2

WEST
♠ J 10 9 8
♡ K 4
◇ 8 6 2
♣ K J 5 4

EAST
♠ 7 6 5 2
♡ 3
◇ Q 4 3
♣ 10 9 8 6 3

SOUTH (D)
♠ A K
♡ A J 10 8 5 2
◇ J 10 9
♣ A Q

Both sides were vulnerable. The bidding:

South	West	North	East
1 ♡	Pass	3 ♡	Pass
3 ♠	Pass	4 ◇	Pass
6 ♡	Pass	Pass	Pass

West led the spade jack.

BOOKS

A FIRING OFFENSE

By David Ignatius. 333 pages. $23. Random House.

Reviewed by Joseph Fitchett

THIS superior thriller is the best serious fictional plunge into economic espionage — the new great game now that the Cold War is over.

The international plot sounds deceptively simple. A great American newspaper is sucked into a plot by the CIA, which is trying to stop French corporate sharks from selling biological weapons to China as a bribe to win a telecommunications megacontract.

If that sounds familiar, it should. "A Firing Offense" deliberately aims at delivering the lowdown about the secret economic dirty tricks that flit in and out of the headlines, often as a spat about industrial espionage between the United States and France.

David Ignatius brings special authority to his project. His first three books established him as the most authoritative author about the CIA in contemporary fiction, with an uncanny ear for the latest in spies' talk and tradecraft. This time he breaks some fresh ground in conveying the competitive pressures of a big-time newspaper.

Ignatius pictures a vivid rogues' gallery, stars of media, business and espionage that are light-years from the dreary victims of so many thrillers. With the verve and edge of a Vanity Fair profile, the book glints with smart insider's takes on these elites of journalism, business and Langley.

Ignatius mauls newspapers and spying for their pretensions, but with the somber irony of a jaded believer. He can still come to a stirring defense of journalists, but only in the ambiguous terms of one who the reader already knows has abjectly betrayed his calling. Journalism, the hack says, "is a murder-and-create business, and the murderous ones are also the creative ones."

Sounds almost too good to be fiction, and Ignatius constantly underscores that he knows what he is writing about. His journalist works for a charismatic editor undisguisedly modeled on Ben Bradlee, legendary overlord of The Washington Post, where Ignatius is a senior editor. The name-dropping is deliberately intended — like the publisher's blurb — to buttress the novel's thesis that global competition has drawn the Western democracies into undeclared but dirty, no-holds-barred, economic warfare.

In many respects, the story is on the money, as Bradlee famously used to say. Refreshingly, Ignatius treats the CIA, battered and bewildered as it is, as an institution that can still achieve its mission. Despite all the well-informed scorn heaped on it by Ignatius's knowing characters, the agency, as depicted in the book, emerges alone of the contending forces in achieving its ends at an acceptable price.

Ignatius's account of the agency brings out a distinction often overlooked in debates about industrial espionage. In "A Firing Offense," the CIA undertakes an economic intelligence operation only because a security threat is involved. The important point is that the CIA — at least as far as outsiders can determine — does not steal technological secrets for U.S. companies from their foreign competitors. In contrast, that seems to be a central mission for Russian, Israeli and other intelligence services — notably the French.

But it is stretching the point to portray France as the major villain in international business. Ignatius emphatically does so, clearly convinced that the country has become France Inc., run by a covert alliance between major corporations and government agencies above the law to wage economic war — the new evil empire.

THE reader is told, in authoritative-sounding detail, that France's traditionally strong central government helped rebuild the economy after World War II, but then mutated. "The system has been privatized. The state-owned defense companies and the oil companies and the banks that handled the payoffs are gradually being spun off into the private sector. . . . A new generation of business leaders is emerging who are half-entrepreneurs, half-gangsters. They're the new face of something my conspiracy-minded colleagues like to call the Secret Power." Such a masonic-style cabal, of course, would make a mockery of the rules that U.S. corporations play by.

But even people who enjoy skewering the French may want a soupçon of salt with this recipe. True, French leaders recklessly sold Baghdad a nuclear reactor in the 1970s. At the time, however, few Western governments imagined that Iraqi engineers could actually turn a test facility into weapons. (Fortunately, Israel took no chances and preemptively bombed the facility; otherwise, Western forces might have faced a nuclear threat in the Gulf War.) The big picture is quite different: France was as staunch as the United States in denying dangerous technology to major adversaries, notably the Soviet Union (or China).

The French-bashing would make better reading if Ignatius didn't seem to get it wrong, even in minor ways. In an early scene, terrorists seize Taillevent, the world-famous restaurant, and threaten to kill their three-star hostages. Ignatius depicts Parisians emptying out of the capital as if they could hear approaching German artillery.

In fact, Parisians have consistently shrugged off urban terrorism, refusing to be driven off the streets even by murderous bombing campaigns. Moreover, if Taillevent were actually seized, Parisians would probably be craning for a glimpse of the rich or famous getting their desserts — just like a previous generation of Parisians jockeyed for ringside seats at the guillotine.

With this caveat, "A Firing Offense" deserves the recognition it is getting as a brilliant rendering of a moment, perhaps only a tremor, when America's journalists, like its spies, question their own gusto, cockiness and perhaps idealism — the stuff that initially fired their careers.

IN capturing this very contemporary quiver, Ignatius makes great play with the familiar canard that spies and reporters are in the same business, with the difference that reporters cling to adolescent idealism while spies grow up and assume responsibilities. Such smart-sounding nonsense makes good dialogue as Ignatius gradually brings out a profound difference — between spies living to keep secrets and reporters living to tell secrets.

It could be a simple parable of murderers and creators, but Ignatius clearly sees the irony that truth-telling can prove as perilous as lying. He shares the power of Graham Greene — and his conviction that innocence is the ultimate offense.

International Herald Tribune

Worldwise coverage
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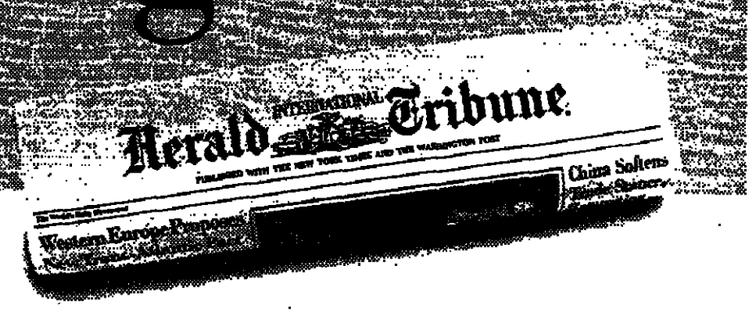

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HEALTH/SCIENCE

TOMORROW: LEISURE

An Elephant 'Pill'? A Daring Experiment

By Suzanne Daley
New York Times Service

KRUGER NATIONAL PARK, South Africa — As the helicopter hovers overhead, the elephant herd scatters through the dry winter brush. But within minutes the cow with a dusty orange radio collar is spotted and a 10-inch (25-centimeter) dart is fired into her left flank. She keeps running for a while but soon slows and then continues her munching, seemingly oblivious.

She has just received a booster shot. She is on birth control. Or so the scientists hope.

If all goes according to plan, she will not get pregnant for at least a year.

Birth control for wild animals remains more theory than practice. But here at Kruger, one of the world's largest game reserves, an experiment is under away to see if the park's elephant population can be kept under control with contraception.

While elephant populations may be in danger elsewhere on the continent, they are not in southern Africa. For almost three decades, Kruger, a park as big as Israel along South Africa's northeast border, killed an average of 600 a year to keep the population at about 7,500.

But last year the park suspended the culling and began testing two forms of contraception on 31 elephants. The first method, an implant that slowly releases hormones into the blood stream, works much the same as the contraceptive pills used by women. The second is based on creating an immunological response: A vaccine made from the ovum of a pig produces antigens that prevent elephant eggs from recognizing elephant sperm.

Already there have been problems. The hormone experiment has been suspended indefinitely after rangers at the park noticed that the cows with implants were giving off signs that they were in heat, had become separated from their herds and were constantly harassed for sex by randy bulls.

Even more disturbing, two of them had lost their calves. No one knows what happened, but theories abound. The calves might have fallen prey to lions because the mothers' attention was taken up by the bulls' persistence. The mothers' milk may have dried up or the males might have done the youngsters harm because they were in the way.

"This was unacceptable to us," said Dr. Douw Grobler, Kruger's chief veterinarian. "We had many concerns about what was going on."

The park is a long way from wide use of contraception. In fact, some calculations suggest that to keep the herd from growing, more than 2,000 cows would have to be on birth control at any one time. The cost and logistics of such a program would be prohibitive.

But even testing contraception has triggered a heated debate between animal-rights groups, which favor birth control, considering it more humane than killing, and many conservationists, who take a different view: Tourists pay tens of thousands of dollars to hunt elephants, then turn over the meat to villagers. The skin of an elephant can also be used and sold. So why use contraception?

"You are taking away a resource," says Victoria Hylton, of African Resources Trust, which lobbies for the rights of African people to make use of wildlife as long as it does not endanger the species. "People on the edge of that park are struggling. The elephant is a product that can help them survive."

Animal rights activists are heavily involved in Kruger's research. The vaccine experiment is being financed by the Humane Society of the United States, which gave the park $5 million last year for the research and to buy extra land where culling will never take place.

RESEARCH into methods of contraception for animals is limited. The approaches being studied vary from different types of vaccines, to hormone implants, to morning-after pills. In Australia, where there have been population explosions of rabbits, red foxes and feral cats, the government is financing research that uses viruses to spread the vaccine. But so far, nothing like that is ready for testing in the field.

The Kruger vaccine has already been successfully used on wild horses on Assateague Island off Maryland and on white tailed deer on Long Island, New York, without harmful effects, said Jay Kirkpatrick, the director of science and biology at Zoo Montana in Billings, who managed the Assateague and Long Island projects and is on the Kruger team.

So far, Kruger officials say, there are no problems with the vaccine — if it is working. They will not know until October, when they perform sonograms to see if any of the cows are pregnant. Elephants gestate for 22 months.

But Ian Whyte, the park's resident expert on elephants, notes that mating among elephants is "a dramatic procedure," with the males chasing the females from the herd. Usually the mating results in conception. If, however, the cow does not conceive, she will go through her cycle again 15 weeks later. This could greatly disrupt the herds.

Lloyd DeGrane/The New York Times

Dr. May Berenbaum, one of America's leading entomologists, studies how insects thwart the toxins of plants.

A Scientist Smitten by the Bug

By Carol Kaesuk Yoon
New York Times Service

CHAMPAIGN, Illinois — Enrolling in a college class on insects, Dr. May Berenbaum was carrying out what seemed like a simple plan: Know the enemy.

Like many people, she detested bugs of all sorts, recoiling at the sight of every buzzing, squirming, flitting six-legged beast that crossed her path. "I figured I'd know which ones to be afraid of," Dr. Berenbaum said.

But rather than developing a master list of her nemeses, Dr. Berenbaum began to admire what she had reviled, converted by a series of personal insect epiphanies as she netted butterflies and scooped up water bugs. Her fear turned into such an intense fascination that now, a quarter-century later, Dr. Berenbaum finds herself immersed in the world of insects as one of the United States's leading entomologists.

On a sunny day last month not far from her office at the University of Illinois at Urbana-Champaign, Dr. Berenbaum was in jeans, a sweatshirt and sneakers, zipping around a field of wild parsnips and poison hemlock, her long brown hair flowing.

Projecting an enthusiasm as intense as if she had discovered the joys of insects that morning, she pointed out the plants and the insects eating them, telling tales of the age-old chemical warfare between them.

"It's extraordinary," she said, in her glory in what to others might seem no more than a weedy, mosquito-infested field.

Dr. Berenbaum, 44, is the head of the university's department of entomology and a member of the National Academy of Science. Educated at Yale and Cornell Universities, she is well known for revealing the power of the chemical weaponry used by plants to protect themselves from insects and the inventiveness of insects in thwarting this toxic arsenal.

The importance of this relationship is difficult to overstate, researchers say, because plants and insects make up about three-quarters of life on Earth. Work that divulges the rules governing the evolution of these ancient enemies covers the dynamics of much of the planet's biodiversity.

But Dr. Berenbaum, as zealous about insects as only a convert can be, is not satisfied to thrill to the importance and beauty of insects. She wants everyone else to thrill to them, too.

Arguably the most relentlessly creative insect advocate in the world, she tries to find new ways to spread her message: "Six legs good."

(This enthusiasm is not an artificial display for the public. This is a woman who chose to spend her honeymoon at the International Congress of Entomology, which left her with fond memories of her first purchase of Chinese insect medicinals: the castoff skins of cicadas.)

She writes entertaining books about insects, including "Ninety-Nine Gnats, Nits, and Nibblers" and "Ninety-Nine More Maggots, Mites, and Munchers" (both University of Illinois Press). She gives countless talks, she is heard on the radio and she appears on television.

But the piece de resistance in her never-ending mission is the Insect Fear Film Festival. In this yearly extravaganza, which she created here on campus, she enlists the help of giant ants and swarms of killer bees as the stars of wonderfully bad science fiction films that she combines seamlessly (and painlessly) with talks on insect biology. This year's festival was an all-ants affair.

"You can get a thousand people for a bad insect film, but you can't get anyone to come for a talk on insect physiology," she said. That, however, is just what her audiences get, along with their snacks — stir-fried moth pupae and tequila-flavored lollipops complete with worms. "I talk about why what they're seeing can't possibly happen," she said.

DR. Berenbaum well knows that attempts to popularize science are often viewed as frivolous by researchers who consider themselves more serious-minded.

"It's considered declasse," said Dr. Berenbaum, who calls herself "kind of promiscuous when it comes to speaking to groups."

Yet she continues to reach out with lectures like "What's Eating You?" — on medical entomology — and her lecture for the more spiritually inclined, "Bugs in the Bible." She carries it all off with impunity because her science is so good.

"She's been very much a guiding light," said Dr. John Thompson, an evolutionary ecologist at Washington State University, echoing others. "She is one of the leaders in showing how the chemistry of plants has been crucial in the evolution of interactions between insects and plants. May has shown how important chemistry can be."

"I'm intent on seeing how plants defend against insects because they've been doing it for millions of years," Dr. Berenbaum said. Unlike humans, whose chemical defenses against insect pests become ever more powerless in the face of growing insect resistance, "plants specialize in long-term durable defenses," she said. "We want to use strategies that plants use."

IN BRIEF

Warning Issued On Rise of Diabetes

HELSINKI (Reuters) — Diabetes, already the fourth main cause of death in many countries, is becoming a truly global "epidemic," experts reported at a conference in Helsinki.

Drug therapy for the potentially deadly illness has improved little since insulin injections were developed in 1922 and the best hope is to change the way people live, they said.

Diabetes affects 135 million people worldwide. By 2025, the World Health Organization predicts, that number will reach 300 million. The rate is expected to rise by 45 percent in developed countries and to triple in developing countries.

"I think we can truly say that the epidemic is here and now," Paul Zimmet, the chief executive officer of the International Diabetes Institute, said at a news conference at the 16th International Diabetes Congress.

"Unless we do something dramatic, I expect diabetes to be one of the major killers in the world in the year 2010," said Jak Jervell, the president of the International Diabetes Federation.

Mr. Zimmet said up to half of all people with diabetes did not even know they had it. Symptoms are vague — tiredness, thirst and a need to urinate frequently are common as the body tries to flush away excess blood sugar that builds up as the pancreas fails to produce insulin.

Restaurants Asked To Reduce Salt Levels

LONDON (Reuters) — Researchers at a conference on hypertension in blacks called on restaurants and food companies to reduce the amount of salt they put in food.

"Lower salt intake by the population as a whole will help physicians control blood pressures among hypertensives identified with blood pressure sensitive to salt intake," said Dr. Albert A. Carr, president of the Circulatory Disease Center in Georgia.

Nearly one in four people with high blood pressure, or hypertension, are sensitive to salt and have increased blood pressure levels as a result of salt intake.

Researchers attending the 12th International Interdisciplinary Conference on Hypertension in Blacks said the general population would benefit from a reduction of salt in canned foods, prepared mixes and meals served at fast food restaurants.

Earlier in the conference, Dr. Elijah Saunders and colleagues at the University of Maryland School of Medicine said blacks who are overweight and eat a lot of salt may be lessening the effect of medication. He said eating habits might explain why blood pressure medicines such as angiotensin-converting enzyme inhibitors sometimes do not work.

Cholesterol-Cutting Drugs Could Prevent Stroke

CHICAGO (Reuters) — A class of cholesterol-cutting drugs has proven effective against stroke and potentially fatal cardiovascular disease, researchers at Vanderbilt University School of Medicine reported.

In an analysis of 16 trials encompassing 29,000 subjects, researchers found statin drugs reduced the risk of stroke by 29 percent and lowered total mortality rates by 22 percent.

Statin drugs also produced larger reductions in cholesterol than previously available lipid-lowering drugs, cutting blood cholesterol levels by an average of 22 percent, the report in the Journal of the American Medical Association said.

There was no significant evidence that lowering cholesterol levels with the drugs led to any increase in the incidence of cancer or other nonheart-related deaths.

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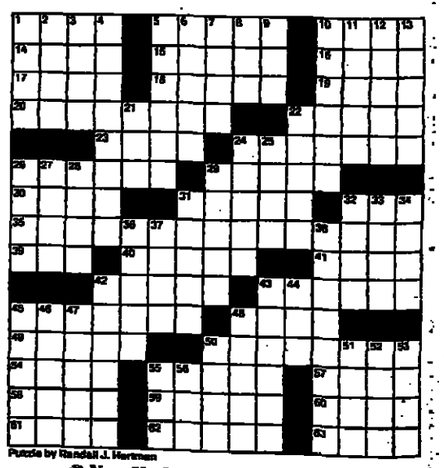
CROSSWORD

ACROSS
1 "Buffalo ——" (1844 song)
5 Speleologist
10 Guinea pigs, maybe
14 Tissue additive
15 Departure
16 Departure
17 Puccini soprano
18 Father of William the Conqueror
19 Anna Leonowens, e.g., in "The King and I"
20 They make wakeup calls
22 "Memphis ——" (1990 war film)
23 Drench, in a way
24 Hurt
26 Stocks and such
29 Tries
30 Whiskered animal
31 Stuck, after "in"
32 "The lie that enables us to realize the truth": Picasso
35 Shakespeare classic
39 Hurricane heading: Abbr.
40 Petrol unit
41 Kennedy's Secretary of State
42 Jibe
43 Calm
45 Severe critic
46 Star witnesses?
49 *Actress Barkin*
50 Parting word
54 Whim
55 Cast
57 Casa material
58 Mount whose *name means "I burn"*
59 Jackson and Jefferson, e.g.
60 "Mona ——"
61 Spots
62 —— Rose
63 *Pipe piece*

DOWN
1 Gainesville athlete
2 "Not to mention . . ."
3 Wacky
4 Scallop, for one
5 Special touch
6 Cheesh
7 They may be picked up
8 *Poetic adverb*
9 Sticking point
10 Hollywood producer Jon
11 Rejoice
12 King, for instance
13 Kept on the hard drive
21 Kindergartener
22 Genesis city
24 Wrap
25 Where Timbuktu is
26 Former Davis Cup captain
27 Writer O'Faoláin
28 The very ——
29 Beach
31 It has many narrow rays
32 A pastel
33 *Deteriorate*
34 Kindergartener
36 Former Laker great Baylor
37 Cross-ply, e.g.
38 You can count on them
42 Circus sites
43 States as fact
44 I
45 Indicates
46 Blue bloods'
47 Replicate
48 Best Picture of 1955
50 Chimney-top nester
51 Mine entrance
52 Rocketed
53 Nautical direction
56 Nautical direction
58 *Bird sound*



Puzzle by Randall J. Hartman

© New York Times/Edited by Will Shortz

Solution to Puzzle of July 23

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صكاً من الأصل

When Politics Gets in the Way of Economics

Foreign Investors Turn Wary as Bangkok Starts Dabbling in the Financial System

By Thomas Crampton
Special to the Herald Tribune

BANGKOK — The confusion of Thai politics can even turn insiders into outsiders.

In the past, as the politicians played their games, foreign investors joked about the Italy of Asia and made little effort to understand the bewildering tangle of allegiances.

But the slowing economy and regional currency turmoil have put the country's politics under the intense scrutiny of creditors who are frightened by what they have found.

With 23 prime ministers, 17 coups and 15 constitutions since 1946, the country has not been a model of political stability. Nonetheless, because of consistent policies laid out by government technocrats, investors confidently poured huge amounts of their money into the country in the past decade.

Now, as an economic slowdown and regional currency turmoil throw the country into the international spotlight, this traditional political chaos could delay recovery.

"Today's political struggles are not that different from the past," said Mark Sundberg, Hong Kong-based chief economist for Salomon Brothers Inc. "But the country now has greater vulnerability to short-term capital flows, and its policy mix has been brought into focus."

Thailand's estimated $90 billion in overseas debt has created what Mr. Sundberg calls a structural dependency on foreign money. Much of that debt is short-term and soon due to roll over.

"Banks are really studying every political move now," said the country manager of an American bank that is one of Thailand's largest creditors.

"It is tough for those who don't have a presence in the country to second-guess what is going on here, and events like the raid on the brokerage houses last week don't put the country in a good light."

Last week, the police raided two foreign brokerage houses searching for the source of rumors that five commercial banks would close.

The raids, which shocked the financial community, have been dismissed by political observers as a melodramatic stunt typical of the deputy interior minister, Chalerm Yoobamrung, who ordered them.

A Jaguar-driving former police officers with a taste for Versace shirts, Mr. Chalerm is a Bangkok-based politician who has long wielded power beyond his party's numerical standing, serving in most Thai governments over the past decade.

In the November election, his Muan Chon Party won just two seats, yet the six-party coalition awarded him a cabinet post. He has many loyal well-placed friends in the police department but scant patience for those in his way.

"He is like a stick that the politicians wave at barking dogs to make them shut up," said Montri Chenvidyakarn, president of the Training Institute of the Association of Securities Cos. "In the Thai context, nobody takes his antics seriously."

Foreign investors, however, were not amused to have the stick waved at them. "I just do not understand how they could do this," a Japanese analyst said. "It is crazy."

Since the raids took place, foreign analysts and brokers have been wary of being quoted for fear of reprisals.

Another recent intrusion of politics into economic management took place in mid-May, when remarks by one of the prime minister's advisers triggered speculators to attack the baht.

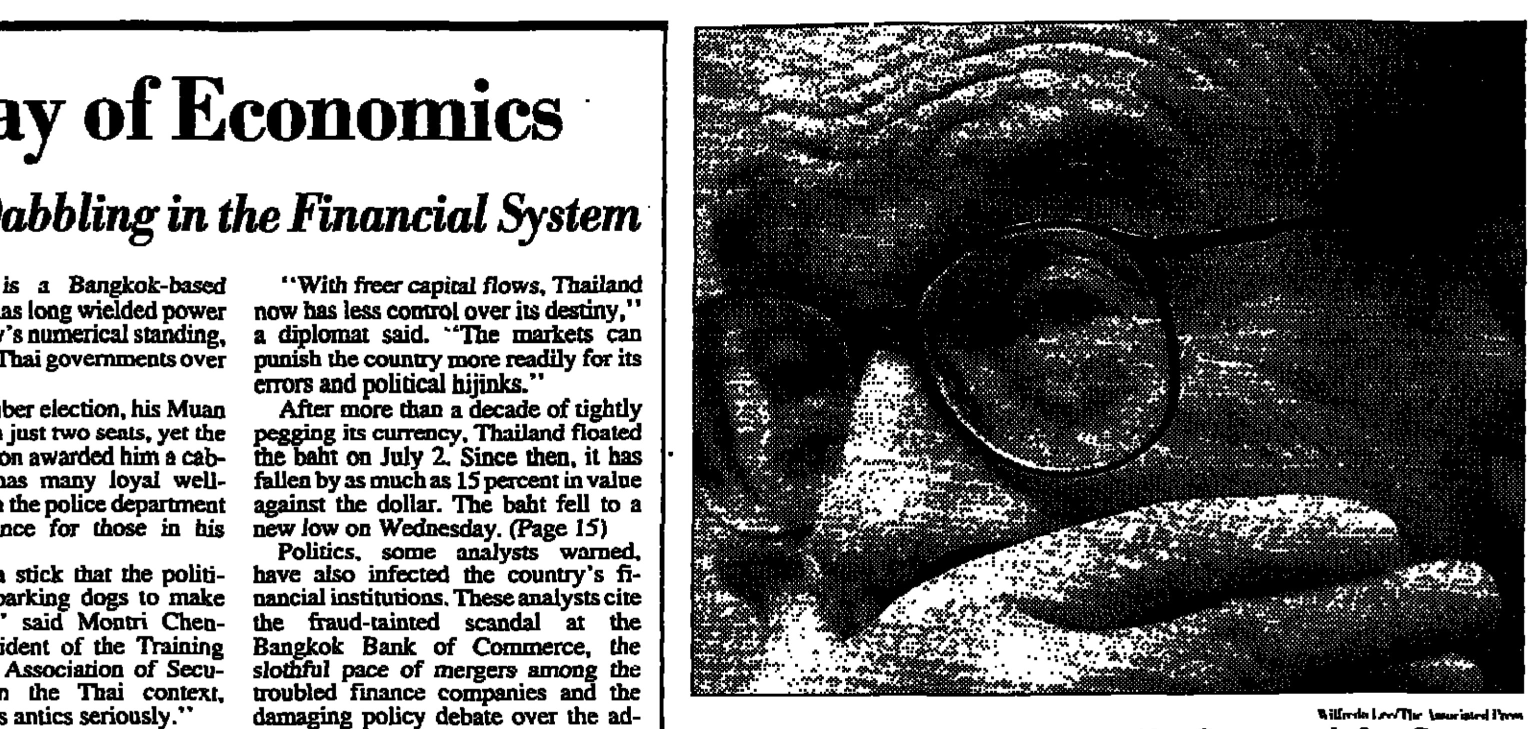
"With freer capital flows, Thailand now has less control over its destiny," a diplomat said. "The markets can punish the country more readily for its errors and political hijinks."

After more than a decade of tightly pegging its currency, Thailand floated the baht on July 2. Since then, it has fallen by as much as 15 percent in value against the dollar. The baht fell to a new low on Wednesday. (Page 15)

Politics, some analysts warned, have also infected the country's financial institutions. These analysts cite the fraud-tainted scandal at the Bangkok Bank of Commerce, the slothful pace of mergers among the troubled finance companies and the damaging policy debate over the adjustment of the baht.

"In the early 1980s, when the country last faced economic crisis, the technocrats from the central bank, finance ministry and National Economic and Social Development Board all worked together," said Arporn Chewakrengkrai, chief economist Deutsche Morgan Grenfell Thailand.

Ms. Arporn, a former technocrat, said many of the best and brightest have left government for higher paying jobs in the private sector.



Wilfredo Lee/The Associated Press
The Federal Reserve Board chairman, Alan Greenspan, before Congress.

World Markets Surge On Rosy U.S. Outlook

Greenspan Repeats: No Rate Rise Soon

Compiled by Our Staff From Dispatches

WASHINGTON — Stock markets in the United States and Europe continued to climb to new record levels Wednesday after the top U.S. central banker reiterated to Congress that he was in no hurry to raise interest rates because the U.S. economy was in a period of growth with low inflation.

But in a reprise of the testimony he delivered to members of the House of Representatives on Tuesday, the chairman of the Federal Reserve Board, Alan Greenspan, cautioned the Senate Banking Committee that there was no guarantee the Fed would not have to raise interest rates at some unspecified point in the future.

Wall Street took Mr. Greenspan's comments as a signal that Fed policymakers again would pass up the chance to raise rates at their next meeting, scheduled for Aug. 19. They increased a benchmark interest rate by just a quarter-point in March but held rates steady at meetings in May and July.

Mr. Greenspan's comments Tuesday sent stocks and bonds soaring, and Wall Street apparently heard nothing Wednesday to cause it to give up its gains.

The Dow Jones industrial average rose 26.71 points to close at a record 8,088.36. The index of 30 blue-chip stocks jumped 154.93 points Tuesday to set its previous record of 8,061.65.

European stock and bond prices rose sharply Wednesday, following Wall Street's lead.

Germany's DAX Index rose 4.15 percent to a record 4,406.09 before trading was suspended at midday because of technical problems. The Paris Bourse's CAC-40 index rose more than 3 percent to an intraday record before closing at 3,003.53, up 2.8 percent. The Zurich exchange posted a 3.4 percent increase, and the Brussels and Amsterdam bourses finished more than 2 percent higher.

Elsewhere on Capitol Hill on Wednesday, three other members of the Fed's policy-making Open Market Committee were giving their views on the current economy before the House Banking Committee.

Echoing Mr. Greenspan, a Fed governor, Laurence Meyer, told the committee the economy's recent economic performance was "enough to make you want to cheer."

Pointing to strong growth, low inflation, soaring equity prices and record levels of consumer confidence, Mr. Meyer said recent economic performance had been "extraordinarily favorable."

Mr. Meyer was joined by Alice Rivlin, deputy chairman of the central bank, and by William McDonough, president of the Federal Reserve Bank of New York.

Senators heaped praise on Mr. Greenspan for his handling of the economy, with Phil Gramm, Republican of Texas, calling him "the greatest central banker" in America's history.

Mr. Greenspan made only passing reference in his testimony to the surge in stock prices in recent months. In contrast to his now-famous Dec. 5 speech about possible "irrational exuberance" in financial markets, he said stock gains had been fueled by lower bond yields and investor expectations that corporate earnings may continue rising.

But Ms. Rivlin, Mr. Meyer and Mr. McDonough raised some cautions.

Higher than the risk of recession, Ms. Rivlin said, is the risk that "many of the factors holding down inflation will prove temporary."

She also said that waiting too long to increase interest rates "may increase the possibility of overheating followed by recession."

Mr. Meyer said, "The history of

See GREENSPAN, Page 12

Studying at the Miles Davis School of Business

By Mike Zwerin
International Herald Tribune

PARIS — In a speech to co-workers and associates in June 1996, the president and CEO of First USA Bank, Richard Vague, said he wanted his bank to function like Miles Davis's band. First USA specializes in credit cards and has done this so well that a year after Mr. Vague's motivational address the bank has been bought by BancOne of Ohio for $7.9 billion. Before the purchase, First USA was the fourth-largest such bank, with 16 million card-holders. The merged entity will be third-largest, with 32 million card-holders and $35 billion in assets.

First USA has succeeded by designing credit cards for areas of strong common interest — professional women, psychologists, golfers and, as of May, jazz fans. Holders of its new "real jazz platinum Visa card" will receive a newsletter named after a Thelonious Monk song, a Diana Krall video, a previously unreleased John Coltrane CD, and miscellaneous gifts. The smart jazz designs on the cards includes a portrait of Miles Davis playing his horn.

Jazz Platinum Visa cards will entitle their holders to borrow from $5,000 up to $100,000. Note the bottom limit. First USA does not want to bother with jazz aficionados who need less than $5,000. Miles would certainly approve.

Davis believed that the more outrageous a musician's monetary demands, the more respect he received. And the more money producers paid him, the more they'd pay for publicity to protect their investment. He was paid a lot of money because he knew his own worth. And now it seems that money and Miles Davis go together in more ways than you might have imagined. The time is ripe for a Miles Davis degree in business administration.

Consider this a new social perspective more than a product launch. Jazz players and fans were once one of the most alienated sectors of American society. After poets, maybe. The music drew its strength from being made by cultural minorities (African Americans, Latinos and Jews) and appreciated by economic minorities (African Americans and intellectuals).

A mass audience and a palace in Malibu were signs of loss of authenticity; "selling out" it was called. True jazz fans gave up on Louis Armstrong after "Hello Dolly" and on Miles Davis after "Bitches Brew." Much too successful. It seems that times are changing.

This is a major shift on the alienation front. What's good for jazz is now good for the country. The business of America is jazz. This is not to say that jazz has ceased being minority music. A new minority has been added — people with ears and wallets stuffed with plastic.

Growing up in Dallas and Houston, Mr. Vague played guitar and keyboards. His father listened to jazz records.

During his address to colleagues, Mr. Vague said: "Miles Davis dominated jazz music in the late '50s and early '60s. The jazz scene then was characterized by groups of three to six pieces, typically including drums, bass, piano, saxophone and trumpet. They would play either an original song or a popular composition such as 'My Funny Valentine' or 'I Got Rhythm,' and they would reinvent that song with extended improvisational solos, new chords and harmonies, syncopation, tempo changes and complex musical interplay.

"The boldest, most daring thing about Miles — the thing that set him apart from almost all his contemporaries — was that he always, always hired musicians who were better than he was. Better technically, better composers, better improvisers. And not just a little bit better, but a whole lot better."

Mr. Vague pointed out that each member was so musically accomplished and they all knew each other so well that "anyone in the group could take the lead to slow down or step up the tempo and everyone else would follow. Innovation, he said, could come from anyone, anytime, anywhere.

His thrust was that he does not want his people explaining that they do certain things "because Dick Vague said so."

"Now I'm not nearly so naive or presumptuous to think that there is much of an analogy between Miles Davis's group and First USA," he said. "But we must have the very best people, and we must have the kind of supportive, inclusive environment where the very best can thrive — we aspire to many of the things characterized by Miles's band."

"First USA has 32 million customers. We're betting that between 50,000 and 200,000 of them are real jazz enthusiasts," Mr. Vague said.

Mike Zwerin (left)
Richard Vague, left, thinks Miles Davis has some lessons for his bank.

INTERNATIONAL MANAGER

Risky Venture for Novell's New Chief: Leading a High-Tech Turnaround

By Steve Lohr
New York Times Service

NEW YORK — The days and cities sometimes blur for Eric Schmidt. If it's Monday, he remarked last week, it must be Atlanta. Or Nashville or Cincinnati — the earlier stops that day.

The rest of last week's itinerary: Dallas, Austin, Santa Monica, Irvine, San Jose, Missoula, and back to San Jose.

This is the grueling regimen of a high-tech turnaround, the daunting task that Mr. Schmidt is tackling for Novell Inc. He is a fresh recruit, having arrived as the software company's chairman in April after his predecessor lasted only 30 months in the job.

But his situation is hardly unique these days, for Mr. Schmidt finds himself with a challenge similar to the ones that will await the next leaders of Apple Computer Inc. and AT&T Corp. — technology companies that, like Novell, each brought in a would-be savior who fast fell from favor and was quickly sent packing.

For the 42-year-old Mr. Schmidt, life these days often resembles a dawn-to-dusk sprint. In meetings with managers and employees, he must grapple with the struggling software maker's internal problems. Then, maybe only minutes later, he must shift gears to meet with customers like Procter & Gamble Co. and American Airlines' Sabre reservation unit, as well as distributors and industry groups to convince outsiders that Novell can remain a force in the business.

His tactics, travel and work days have the pace and feel of a political campaign, including a "war room" to respond quickly to competitors' claims.

"I've been with the company a little more than three months and it seems like forever — a crisis-a-day kind of thing," Mr. Schmidt said. "We're in a serious turnaround here."

It is premature to judge whether he can succeed. But trying to turn around a wayward high-technology company is clearly one of the stiffest challenges in contemporary corporate America.

In any turnaround situation, the management must both repair a company's broken business and devise a new strategy for growth. Yet hitting both targets at once can be especially tricky in the hurry-up world of information technology, where product cycles are measured in months and even healthy companies are often forced to shift course abruptly.

The difficulty was underscored again two weeks ago, for example, when Gilbert Amelio was ousted as the chairman of Apple after 17 months with no turnaround in sight.

Novell, like Apple, was a computer industry pioneer that made strategic missteps. An innovator during the 1980s in the software that stitches desktop personal computers into corporate PC networks, Novell was late to catch the Internet wave of the 1990s.

True, the company still has more than 60 percent of the market for corporate networking software, with Novell's flagship, Netware, now used on an estimated 67 million desktops. The company, based in Provo, Utah, remains the second-largest PC software maker, after Microsoft, with sales last year of $1.3 billion and profits of $126 million.

Yet Novell's sales are stagnating and the company lost money last quarter. For Novell's once lucrative business is now squarely in the cross hairs of Microsoft Corp., whose Windows NT is a bid to take over the networking software market. It is not an enviable position, although most analysts agree Novell's plight is not as dire as Apple's.

"Novell has some time because for a corporation to switch off its networking software is very costly and time consuming," said David Yoffie, a professor at the Harvard business school.

"And if Microsoft has any weakness,

See NOVELL, Page 15

CURRENCY & INTEREST RATES

Cross Rates

July 23

	$	£	D.M.	F.F.	Lira	D.Fl	B.F.	S.F.	Yen	C$	Peseta
Amsterdam	2.0585	3.4615	1.1262	0.3341	0.1159*	—	5.454*	1.3847	1.7772*	1.491	1.3375*
Brussels	37.85	63.85	20.6405	6.13	2.1254*	18.3345	—	25.475	0.3278	27.50	24.58*
Frankfurt	1.839	3.0773	—	0.2967	0.1103*	0.8881	4.8431*	1.2227	1.5865*	1.3299	1.1881*
London (a)	1.6812	—	3.072	10.3585	2,985.77	3.4596	63.4466	2.4489	194.719	2.3215	258.487
Madrid	153.952	258.916	84.182	24.972	8.66*	74.752	4.0774	103.79	133.897*	111.851	—
Milan	1,777.30	2,988.74	971.86	288.36	—	863.17	47.882	1,198.48	15.438	1,291.56	11.55
New York (b)	—	1.68a	1.826	6.1475	1,774.80	2.0542	37.70	1.4845	115.675	1.3821	153.945
Paris	6.1640	10.368	3.371	—	0.3468*	2.9934	0.1633	4.1562	5.3538*	4.479	4.0065*
Tokyo	115.50	193.89	63.58	18.85	6.654	56.41	3.8967	77.94	—	83.88	0.7551
Toronto	1.382	2.3202	0.7566	0.2245	0.0778*	0.6719	0.3664*	0.9301	1.195*	—	0.899*
Zurich	1.4845	2.4918	0.8137	0.2415	0.0837*	0.7231	3.9422*	—	1.2829*	1.0752	0.9645*
1 ECU	1.0865	0.646	1.9869	4.6979	1,931.38	2.2325	41.0016	1.6115	125.105	1.4954	167.226
1 SDR	1.3699	0.8148	2.5083	8.4455	2,435.32	2.8134	51.7286	2.0323	158.158	1.8943	210.86

Closings in Amsterdam, London, Milan, Paris and Zurich, fixings in other centers; New York at 4 P.M. and Toronto rates at 3 P.M.
*a: To buy one pound; b: To buy one dollar; *Units of 100; N.Q.: not quoted; N.A.: not available.*

Other Dollar Values

Currency	Per $	Currency	Per $	Currency	Per $	Currency	Per $
Argent. peso	0.9999	Greek drac.	285.53	Mex. peso	7.833	S. Afr. rand	4.564
Australian $	1.3581	Hong Kong $	7.7461	N. Zealand $	1.537	S. Kor. won	893.40
Austrian sch.	12.865	Hung. forint	193.38	Norw. krone	7.5021	Swed. krona	7.8376
Brazil real	1.0813	Indian rupee	35.68	Phil. peso	28.10	Taiwan $	27.95
Chinese yuan	8.3209	Indo. rupiah	2587.5	Polish zloty	3.45	Thai baht	30.80
Czech koruna	34.54	Irish £	0.6777	Port. escudo	184.49	Turkish lira	155985.
Danish krone	6.9585	Israeli shek.	3.5207	Russ ruble	5791.5	UAE dirham	3.6715
Egypt. pound	3.3898	Kuw dinar	0.30	Saudi riyal	3.75	Venez. boliv.	492.00
Fin. markka	5.3745	Malay. ring.	2.6325	Sing. $	1.4647		

Forward Rates

Currency	30-day	60-day	90-day	Currency	30-day	60-day	90-day
Pound Sterling	1.6792	1.6774	1.6754	Japanese yen	114.91	114.40	113.89
Canadian dollar	1.3730	1.3707	1.3684	Swiss franc	1.4824	1.4772	1.4718
Deutsche mark	1.8260	1.8220	1.8182				

Sources: ING Bank (Amsterdam); Indosuez Bank (Brussels); Banca Commerciale Italiana (Milan); Banque de France (Paris); Bank of Tokyo-Mitsubishi (Tokyo);

Libid-Libor Rates

July 23

	Dollar	D-Mark	Swiss Franc	Sterling	French Franc	Yen	ECU
1-month	5 9/16 - 5 11/16	2 15/16 - 3 1/16	1 1/2 - 1 5/8	6 3/4 - 6 7/8	3 7/16 - 3 9/16	1/2 - 5/8	4 1/16 - 4 3/16
3-month	5 1/2 - 5 5/8	3 1/16 - 3 3/16	1 1/2 - 1 5/8	6 15/16 - 7 1/16	3 1/4 - 3 3/8	9/16 - 11/16	4 1/8 - 4 1/4
6-month	5 5/8 - 5 3/4	3 1/8 - 3 1/4	1 9/16 - 1 11/16	7 - 7 1/8	3 5/16 - 3 7/16	5/8 - 3/4	4 1/8 - 4 1/4
1-year	5 13/16 - 5 15/16	3 1/2 - 3 5/8	1 11/16 - 1 13/16	7 5/16 - 7 7/16	3 5/8 - 3 3/4	3/4 - 7/8	4 5/16 - 4 7/16

Sources: Reuters, Lloyds Bank.
Rates applicable to interbank deposits of $1 million minimum (or equivalent).

Key Money Rates

United States	Close	Prev
Discount rate	5.00	5.00
Prime rate	8 1/2	8 1/2
Federal funds	5 1/2	5 1/4
90-day CDs dealers	5.58	5.61
180-day CP dealers	5.47	5.50
3 month Treasury bill	5.06	5.09
1-year Treasury bill	5.23	5.24
2-year Treasury bill	5.84	5.82
5-year Treasury note	6.04	6.07
7-year Treasury note	6.08	6.11
10-year Treasury note	6.12	6.15
30-year Treasury bond	6.41	6.44
Merrill Lynch 30-day RA	5.09	5.09
Japan		
Discount rate	0.50	0.50
Call money	0.42	0.44
1-month interbank	0.54	0.54
3-month interbank	0.63	0.63
6-month interbank	0.67	0.67
10-year Govt bond	2.51	2.55
Germany		
Lombard rate	4.50	4.50
Call money	3.05	3.08
1-month interbank	3.10	3.10
3-month interbank	3.15	3.15
6-month interbank	3.23	3.25
10-year Bund	5.74	5.54

Britain		
Bank base rate	6 3/4	6 3/4
Call money	6 3/4	6 3/4
1-month interbank	6 3/4	6 3/4
3-month interbank	6 15/16	7.00
6-month interbank	7 3/16	7 3/16
10-year Gilt	6.94	7.01
France		
Intervention rate	3.10	3.10
Call money	3 5/16	3 5/16
1-month interbank	3 1/4	3 1/4
3-month interbank	3 5/16	3 5/16
6-month interbank	3 3/8	3 3/8
10-year OAT	5.52	5.39

Sources: Reuters, Bloomberg, Merrill Lynch, Bank of Tokyo-Mitsubishi, Commerzbank, Credit Lyonnais.

Gold

	A.M.	P.M.	Ch'ge
Zurich	323.60	324.70	−3.10
London	324.35	324.90	−3.35
New York	326.00	323.80	−1.80

U.S. dollars per ounce. London official fixings; Zurich and New York opening and closing prices; New York Comex (Aug.)
Source: Reuters.

U.K. Firm Will Stay a Cooperative

Bloomberg News

LONDON — Nationwide Building Society said Wednesday that its members had voted by a 70 percent margin against a slate of board candidates who favored converting the U.K. mortgage lender to a bank or being taken over.

Brian Davis, the chief executive who campaigned against five so-called Members for Conversion, said about 1.35 million of the society's 3.5 million members had voted. Mr. Davis said previously that the society would probably change to a company owned by shareholders if the five won.

Nationwide is Britain's largest building society, or mortgage lender owned by its customers. As a result of the vote, other societies such as Bradford & Bingley were likely to remain mutually owned, analysts said.

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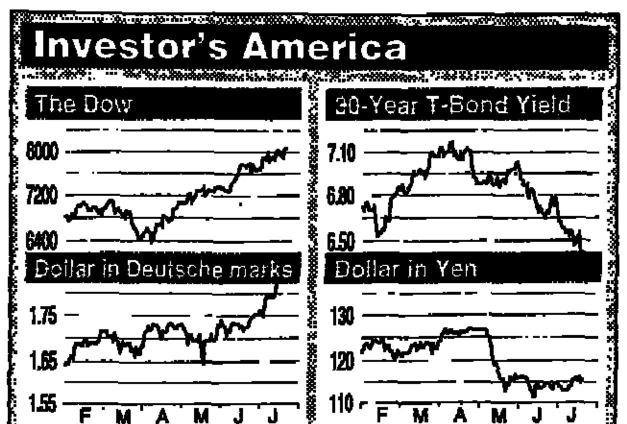
THE AMERICAS

Investor's America



Exchange	Index	Wednesday 4 P.M.	Prev. Close	% Change
NYSE	The Dow	[illegible]	[illegible]	[illegible]
NYSE	S&P 500	[illegible]	[illegible]	[illegible]
NYSE	S&P 100	[illegible]	[illegible]	[illegible]
NYSE	Composite	[illegible]	[illegible]	[illegible]
U.S.	Nasdaq Composite	[illegible]	[illegible]	[illegible]
AMEX	Market Value	[illegible]	[illegible]	[illegible]
Toronto	TSE Index	[illegible]	[illegible]	[illegible]
Sao Paulo	Bovespa	[illegible]	[illegible]	[illegible]
Mexico City	Bolsa	[illegible]	[illegible]	[illegible]
Buenos Aires	Merval	[illegible]	[illegible]	[illegible]
Santiago	IPSA General	[illegible]	[illegible]	[illegible]
Caracas	Capital General	[illegible]	[illegible]	[illegible]

Source: Bloomberg, Reuters — International Herald Tribune

At Columbia, a Little Selling

Bloomberg News

NASHVILLE, Tennessee — Some Columbia/HCA Healthcare Corp. stockholders are selling their holdings amid fears that a widening federal investigation of the hospital and home-care chain will blunt its expansion.

Columbia/HCA is reported to be holding talks with its largest rival, Tenet Healthcare Corp., that could lead to a merger of the two largest U.S. hospital companies.

A combination would create a company with a market value of $30 billion and about 500 hospitals and 650 home-health agencies across the United States, Britain and Switzerland.

A Columbia spokesman said he could neither confirm nor deny the report. A Tenet spokesman refused to comment.

But the federal investigation, now spanning seven states, is likely to curtail an acquisition spree that has powered Columbia's ninefold profit increase in the past five years, some investors said. Last week, the government issued 35 search warrants, and the company said at least five of its employees had been subpoenaed to testify before a grand jury in Florida.

"The negative publicity of this particular investigation, combined with the already negative perception of Columbia, would make it difficult for the company to make acquisitions," said Lisa Tuckerman, a money manager at Spears, Benzak, Solomon & Farrell.

Signs already abound that Columbia is running into acquisition roadblocks. Officials in Ohio and California this year rejected attempts by Columbia to buy not-for-profit hospitals. On Tuesday, Rhode Island's legislature passed a law that effectively limited the number of sites a for-profit hospital company may buy. Columbia's chairman and co-founder, Richard Scott, has spearheaded Columbia's growth in the company's 10-year existence. In that time, Columbia has grown to 342 hospitals from just two and added 150 surgery centers, 570 home health-care locations and a pharmacy-benefits management company.

Columbia may have moved too fast in building its portfolio of health-care sites, some investors said. By expanding so quickly, it failed to ensure that its business practices were in line with federal regulations.

The investigations are "getting a little deeper and a little more extensive than people first thought," said Phillip Schettewi, a managing partner at Loomis Sayles.

Despite the selling, Columbia/HCA stock closed at $36, up $2.9375. Tenet shares closed at $30.125, up $2.625.

Robust U.S. Economy Powers Dollar Ahead

Compiled by Our Staff From Dispatches

NEW YORK — The dollar climbed to a six-year high against the Deutsche mark and rose against the yen, helped by a healthy U.S. economy and expectations that sluggishness in Europe will result in a weak euro, the planned single currency.

A handful of Federal Reserve Board officials, including Chairman Alan Greenspan, suggested they expected steady economic growth with little inflation in the months ahead.

"The dollar's rising on the overall impressive condition of the U.S. economy," said Jesse Torres, chief currency trader at Bank Austria. "It's an excellent economy and an excellent place to be."

The dollar rose as high as 1.8321 DM, its highest quote since touching 1.8400 on July 12, 1991. It was quoted in 4 P.M. trading at 1.8260 DM, up from 1.8245 DM on Tuesday.

The dollar also rose to 115.675 yen from 114.950 yen. Jeffrey Yu, a trader at Sanwa Bank, said he bought dollars for marks Wednesday and that he believed the dollar could rise to 1.85 DM this week.

A Fed governor, Laurence Meyer, and the central bank's deputy chairman, Alice Rivlin, echoed the rosy picture of sustained growth and controlled inflation painted over the past two days by Mr. Greenspan in his semiannual testimony to Congress on the economy.

His comments sent investors flocking to U.S. assets on the expectation that U.S. borrowing costs were not headed higher. Surging stock and bond markets help the dollar because global investors buy the U.S. currency to pay for assets.

"Stocks are high, and it looks like they're going to go higher," Mr. Torres said.

The dollar dipped briefly in midday trading, however, after Ms. Rivlin suggested it might not get much stronger.

The dollar also got momentum against the mark on expectations that slow growth and record unemployment in Europe would keep

FOREIGN EXCHANGE

some countries from meeting entry targets for economic and monetary union, resulting in a weak euro.

"There has been no change in sentiment, with the markets today, as yesterday, characterized by mark weakness on EMU worries," said David Coleman, an analyst with CIBC.

Nations hoping to join the union must cut their deficits to 3 percent of gross domestic product. Analysts have forecast that many countries, including Germany and France, will not meet the target, warranting a looser interpretation of the entry rules.

"Germany's still not rebounding fast enough," said Mr. Yu. Since the euro will supplant the mark as Europe's foremost currency, any expectation it will not be strong steers investors away from marks.

In another boost for the dollar, Guntram Palm, a Bundesbank council member, said the mark's slide was not dangerous for Germany's low inflation climate.

Against other currencies, the dollar was quoted at 1.4845 Swiss francs, up from 1.4830 francs, and at 6.1475 French francs, up from 6.1420 francs. The pound fell to $1.6800 from $1.6805.

(Bloomberg, AFX)

Very briefly:

Unions Blast TWA's Layoff Plans

ST. LOUIS (AP) — Trans World Airlines Inc.'s machinists unions reacted with anger Wednesday after the airline's announcement that it would cut about 1,000 jobs — 4 percent of its work force — by the end of the year as it replaced its aging fleet with new planes that required less maintenance.

The machinists, who are bearing the brunt of the cuts announced Tuesday, said the layoffs were the result of a poor business plan.

"I'm disgusted," said Keith Nelson, president of Local 1650 of the International Association of Machinists and Aerospace Workers in Kansas City. "It is incompetence. We have a management in place that cannot handle an airline of this size."

President of Barney's to Step Down

NEW YORK (Bloomberg) — Barney's Inc. said John Brincko, its president and chief operating officer, would leave the company on Aug. 31.

The New York-based fashion retailer and its lenders, BankBoston Corp., Whippoorwill Associates and Oaktree Capital Management, will seek a new restructuring expert to lead the company out of bankruptcy, a Barney's spokesman said.

- **Republic Industries Inc.** dropped its lawsuit in Texas against Toyota Motor Corp. and will also drop a regulatory claim, saying recent changes in the state's franchise law bolster its efforts to buy Toyota dealerships.
- **Placer Dome Inc.'s** second-quarter earnings more than doubled, to $19 million, from $8 million, as Canada's second-largest gold producer's production increased.
- **Time Warner Inc.** will carry News Corp.'s Fox News channel on its New York City cable-television system, ending a long-standing battle by Fox to gain access to the nation's largest cable market.

Bloomberg

Satellite Service to Carry Bloomberg

By Mike Mills
Washington Post Service

WASHINGTON — Bloomberg News is signing on as the first major provider of programming for WorldSpace Inc., a fledgling company that aims to tap into worldwide markets that lack access to basic news and entertainment, according to executives from both companies.

WorldSpace is an $850 million project to launch three satellites by 1999 that would serve Africa, Asia and Latin America with more than 100 channels of digital radio.

Bloomberg plans to beam 23 audio channels of its business news service in multiple languages to WorldSpace listeners, according to Michael Bloomberg, founder and president of Bloomberg L.P. in New York.

"The real reason we're doing this is we can get to a whole group of people in developing countries, who have an interest in news for professionals," Mr. Bloomberg said. "This is an inexpensive way, per capita, of getting to them."

Bloomberg's trove of financial news should help WorldSpace appeal to its initial target audience: the estimated 300 million upper- and middle-income households in developing regions.

WorldSpace's founder, Noah Samara, is a 41-year-old lawyer who migrated to the United States from Ethiopia.

Mr. Samara founded WorldSpace in 1990 and has struggled to round up financing and program providers. Mr. Samara has three plans for getting revenue from WorldSpace: Selling capacity on the satellite to content providers, selling advertisements and selling monthly subscriptions for some types of programs.

GREENSPAN: *Stocks Continue Their Rally as Fed Chairman Repeats Optimistic View of Economy*

Continued from Page 11

business cycles has repeatedly taught us that the greatest risk to an expansion comes from failing to prevent an overheated economy. The best way to insure the durability of this expansion is, therefore, to be vigilant that we do not allow the economy to overheat and produce the inevitable rise in inflation."

In fact, Mr. McDonough said, monetary policymakers should move preemptively, even before signs emerge of accelerating inflation. "Failure to contain inflationary pressures at an early stage makes it much costlier to deal with inflation later," he said.

Mr. Greenspan said he had "no doubt that the current stance of policy" would need to be changed at some point, and he warned that the Fed "must be alert to the possibility that additional action might be called for."

He even offered a folksy analogy to explain why the Fed might raise rates even under the ideal economic conditions he described at the start of his testimony.

"A driver might tap the brakes to make sure not to be hit by a truck coming down the street, even if he thinks the chances of such an event are relatively low," he said. "The costs of being wrong are simply too high."

(Bloomberg, Reuters)

■ Earnings Gains Fuel Stocks' Rise

Broader market indexes rose after the second day of Mr. Greenspan's testimony on the economy, Bloomberg News reported from New York.

The Standard & Poor's 500-stock index rose 2.58 points to 936.56. The Nasdaq Composite Index, which is dominated by computer companies, rose 3.79 to 1,567.65. Advancing stocks outnumbered decliners by a 17-to-10 ratio on the New York Stock Exchange.

U.S. STOCKS

Dow member AlliedSignal rose after the maker of aerospace and automotive parts reported unexpectedly strong earnings and split its stock 2-for-1.

DuPont, also a Dow member, rose after the chemical and petroleum company beat earnings forecasts, helped by strong demand for its synthetic fibers and higher oil-refining profit at its Conoco energy unit.

Chevron, another one of the 30 Dow stocks, also topped earnings estimates as it produced more oil, raised prices for some chemicals and cut refinery operating costs. The stock slipped after rallying to a record Tuesday in anticipation of the results.

Minnesota Mining & Manufacturing Co. fell after the company reported unexpectedly weak second-quarter earnings. 3M said the strong U.S. dollar had offset the impact of higher sales and would continue to cut into earnings. U.S. bonds were little changed, with the yield on the benchmark 30-year Treasury rising to 6.43 percent from 6.41 percent.

AMEX

Wednesday's 3:45 P.M.
The top 300 most active shares.
The Associated Press.

Stock	Sales	High	Low	Latest	Chge
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

U. S. STOCK MARKET DIARY

Indexes

Dow Jones

	Open	High	Low	Last	Chg.
Indus	8146.19	8143.17	8058.16	8088.36	+26.71
Trans	2906.62	2916.36	2893.25	2907.79	+13.94
Util	232.35	232.46	230.91	230.97	-1.41
Comp	2499.62	2499.58	2481.52	2487.61	+6.05

Standard & Poors

	Previous High	Previous Low	Previous Close	Today 4 P.M.
Industrials	1103.76	1078.04	1103.27	1106.33
Transp.	666.93	648.40	666.93	670.76
Utilities	199.62	196.91	199.59	197.56
Finance	105.35	102.97	105.30	105.89
SP 500	934.38	912.94	933.98	936.71
SP 100	915.24	894.06	914.74	916.39

NYSE

	High	Low	Last	Chg.
Composite	487.23	483.89	485.51	+1.62
Industrials	620.36	615.39	617.39	+2.00
Transp.	441.46	426.73	440.50	+3.70
Utility	290.11	287.65	287.69	-1.35
Finance	446.09	441.99	445.15	+3.16

Nasdaq

	High	Low	Last	Chg.
Composite	1578.03	1563.37	1568.69	+4.83
Industrials	1241.86	1232.57	1241.06	+6.50
Banks	1676.67	1666.09	1674.09	+8.67
Insurance	1686.32	1676.59	1683.32	+7.16
Finance	2005.76	1996.89	2004.33	+11.34
Transp.	994.19	985.84	990.91	+1.17

AMEX

High	Low	Last	Chg.
635.28	631.86	634.65	+0.45

Dow Jones Bond

	Close	Chg.
20 Bonds	104.37	+0.38
10 Utilities	101.83	+0.32
10 Industrials	106.91	+0.43

Most Actives

NYSE

	Vol.	High	Low	Last	Chg.
ColHCA s	123375	36⅝	34	36⅛	+3¼
BayNtwk	122155	35	31½	31⅞	+2⅜
PhilMor s	100925	43⅛	42⅜	42⅜	+½
Boeing s	87912	60½	58⅝	59⅝	+2⅛
WalMart	66612	37⅛	35⅝	36⅞	+⅝
CentEn	61595	11⅝	11½	11⅛	-⅛
AT&T s	60605	36⅛	35	35⅛	-¼
BakrHu	56595	47¼	40	41	-5
IBM s	54639	107	103⅝	105⅝	+2⅜
Compaq	48238	139	133¾	138⅞	+7⅜
TelBrasl	47121	148⅜	135⅞	143⅞	+⅝
DuPont s	46369	68⅛	66½	67⅝	+1½
WasteMInc	45890	31⅝	29¾	30½	-⅛
GenElec s	45506	73	71⅜	72⅛	+⅜
PepsiCo	42937	38⅛	37⅝	37⅛	-⅝

Nasdaq

	Vol.	High	Low	Last	Chg.
Intel s	162936	90⅛	88½	89⅝	+⅝
Informix	176878	11⅝	11½	11½	+⅛
Microsft s	114567	146⅜	141⅞	141⅝	-2⅝
3Com	98328	58⅝	57½	57⅜	+1⅝
DellCpt s	92988	166⅜	162⅛	163⅞	+3⅞
Cisco	82298	80⅝	78½	80½	+1½
Netscpe	74176	43⅜	39	39½	-5
Quantum s	72612	29⅝	27	28½	+1⅝
SunMic s	63671	46⅞	45½	46½	-½
ApldMat	62545	89⅝	83⅜	88⅞	+4⅞
Qualcom	61702	48⅜	47	47⅛	-⅜
Amgen	60602	62⅝	60	62	+2⅝
Oracle	55644	57⅛	55	56⅞	-⅛
Ascend	52142	53⅛	51⅜	51⅛	-1⅛
WorldCm	48296	32⅝	31⅜	31½	-⅝

AMEX

	Vol.	High	Low	Last	Chg.
SPDR	30779	94⅝	93½	93⅛	+⅛
Brandyw s	20223	21⅛	20⅝	21⅛	+⅜
Harken	10987	6⅛	5⅞	5⅞	+⅛
TWA	9467	6⅛	6⅛	6⅛	-⅛
Nabors	9125	30⅛	29⅜	29⅜	-⅛
XCL Ltd	8771	⅛	⅛	⅞	-⅛
JTS Corp	8614	⅛	⅛	⅞	...
ViacB	7979	29⅛	28⅜	28⅞	-⅝
PLC Sys	7314	26½	24½	26⅜	+2½
IvaxCp	6385	11⅛	10⅝	11	-⅛

Trading Activity

NYSE

	Close	Prev.
Advanced	1732	2094
Declined	1169	842
Unchanged	531	506
Total issues	3432	3442
New Highs	388	250
New Lows	16	17

Nasdaq

	Noon	Prev.
Advanced	1587	2225
Declined	1701	1812
Unchanged	2150	1592
Total issues	5438	5729
New Highs	173	240
New Lows	79	77

AMEX

	Close	Prev.
Advanced	314	316
Declined	281	265
Unchanged	172	167
Total issues	767	748
New Highs	61	31
New Lows	5	5

Market Sales

	Today 4:00	Prev. cons.
NYSE	622.25	696.97
Amex	26.86	36.20
Nasdaq	646.38	647.96

In millions.

Dividends

Company	Per	Amt	Rec	Pay
IRREGULAR				
Freehold Royal g	-	.28	7-31	8-15
Managers Inco Eq	-	.06	7-25	7-29
Mesa Offshore Tr	-	.0072	7-31	10-31
PrudAlloc Strat A	b	1.44	7-22	7-23
Toledo Ed adjpf A	-	.4456	8-15	9-1
Toledo Ed adjpf B	-	.4987	8-15	9-1
STOCK SPLIT				
Allied Signal 2 for 1 split.				
Asyst Tech 2 for 1 split.				
BkAtlantic Bn A 5 for 4 split.				
BkAtlantic Bn B 1 share of class A for every 4class B held.				
Encore Wire 3 for 2 split.				
Marcam Corp 1 share of Marcam Solutions for every 2shares held.				
Massbank Corp 4 for 3 split.				
STOCK				
Progress Fincl	-	5%	8-29	9-15
INCREASED				
Health Care REIT	Q	.53	8-4	8-20
Hooper Holmes	Q	.03	8-4	8-18
Managers Sht In	M	.08	7-25	7-27
Princeton Ntl Bn	Q	.11	7-25	8-15
Progress Fincl	Q	.03	7-31	8-15
Woodhead Ind	Q	.09	8-4	8-18

Company	Per	Amt	Rec	Pay
REDUCED				
Managers Bd Fd	M	.12	7-25	7-29
INITIAL				
Comdisco Inc n	-	.055	8-1	9-2
NAL Oil & Gas g	-	.10	7-31	8-15
RPC Inc	-	.05	8-8	9-10
REGULAR				
AMP Inc	Q	.26	8-4	9-2
Alex Brown	Q	.17	8-1	8-12
Allied Signal	Q	.26	8-21	9-10
Am Elec Pwr	Q	.60	8-8	9-10
Avalon Prop	Q	.38	8-4	8-15
Banknorth Grp	Q	.29	8-22	9-5
Central Fidel Bk	Q	.24	9-12	10-1
Cleve El adjpf L	-	1.75	9-12	10-1
Consol Ed NY.	Q	.525	8-13	9-15
Glenborough Rlty	Q	.32	8-1	8-12
Johnson Controls	Q	.215	9-10	9-30
Lexington Cp	Q	.29	7-30	8-14
Mesa Royalty	M	.3005	7-31	10-31
NUI Corp	Q	.235	8-15	9-15
NationsBank	Q	.33	9-5	9-26
Regency Rlty	Q	.42	8-12	8-26
Secur Cap Atlantic	Q	.39	8-12	8-26
Universal Mfg	Q	.25	8-5	8-20
Wicor Inc	Q	.43	8-8	8-29

a-annual; b-approximate amount per share/ADR; g-payable in Canadian funds; m-monthly; q-quarterly; s-semi-annual

Stock Tables Explained

Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 percent or more has been paid, the years high-low range and dividend are shown for the new stocks only. Unless otherwise noted, rates of dividends are annual disbursements based on the latest declaration.
a - dividend also extra (s). b - annual rate of dividend plus stock dividend. c - liquidating dividend. cc - PE exceeds 99.cld - called. d - new yearly low. dd - loss in the last 12 months. e - dividend declared or paid in preceding 12 months. f - annual rate, increased on last declaration. g - dividend in Canadian funds, subject to 15% non-residence tax. i - dividend declared after split-up or stock dividend. j - dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting. k - dividend declared or paid this year, an accumulative issue with dividends in arrears. m - annual rate, reduced on last declaration. n - new issue in the past 52 weeks. The high-low range begins with the start of trading. nd - next day delivery. p - initial dividend, annual rate unknown. P/E - price-earnings ratio. q - closed-end mutual fund. r - dividend declared or paid in preceding 12 months, plus stock dividend. s - stock split. Dividend begins with date of split. sls - sales. t - dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date. u - new yearly high. v - trading halted. vi - in bankruptcy or receivership or being reorganized under the Bankruptcy Act, or securities assumed by such companies. wd - when distributed. wi - when issued/ ww - with warrants. x - ex-dividend or ex-rights. xdis - ex-distribution. xw - without warrants. y- ex-dividend and sales in full. yld - yield. z - sales in full.

INTERNATIONAL FUTURES

July 23, 1997

	High	Low	Latest	Chge	Opint
Grains					
CORN (CBOT) 5,000 bu minimum- cents per bushel					
Sep 97	250¼	245½	247¾	—½	64,860
Dec 97	257	245¾	247¾	—¾	150,920
Mar 98	259	253¾	255¾	—½	28,542
May 98	263½	259	261¼		3,926
Jul 98	266¾	262¾	264½	+¼	9,072
Sep 98	258	256½	257¼	+¾	1,133
Dec 98	262½	259½	261½	+¾	5,224
Est. sales N.A. Tue's. sales 53,055					
Tue's open int 266,367 up 2369					
SOYBEAN MEAL (CBOT) 100 tons- dollars per ton					
Aug 97	247.50	243.70	245.30	—0.40	25,001
Sep 97	223.50	220.30	221.70	—0.20	17,137
Oct 97	204.50	201.30	202.60	+0.10	14,093
Dec 97	198.80	194.30	195.70		39,107
Jan 98	197.00	193.00	193.70	+0.20	5,660
Mar 98	195.00	191.50	193.00	+1.00	7,894
Est. sales N.A. Tue's. sales 24,824					
Tue's open int 114,298 off 1863					
SOYBEAN OIL (CBOT) 60,000 lbs- cents per lb					
Aug 97	21.75	21.55	21.61	—0.08	17,686
Sep 97	21.90	21.73	21.78	—0.05	17,389
Oct 97	21.98	21.83	21.86	—0.04	14,602
Dec 97	22.19	22.02	22.11		41,916
Jan 98	22.35	22.22	22.25	+0.05	5,857
Mar 98	22.60	22.47	22.52	—0.01	2,760
Est. sales N.A. Tue's. sales 12,210					
Tue's open int 103,537 off 883					
SOYBEANS (CBOT) 5,000 bu minimum- cents per bushel					
Aug 97	741½	728	739	+3¾	25,170
Sep 97	652	643	647½	+2¼	13,904
Nov 97	610	597½	603	+2	73,461
Jan 98	613½	601½	606¼	+3¼	15,185
Mar 98	620½	611	615	+1¼	4,980
Est. sales N.A. Tue's. sales 38,768					
Tue's open int 139,802 off 954					
WHEAT (CBOT) 5,000 bu minimum- cents per bushel					
Sep 97	359	349¼	356¼	+7	42,586
Dec 97	372	363	370¼	+7	40,432
Mar 98	381½	373	380½	+6½	8,536
May 98	383	373	382½	+11½	1,194
Est. sales N.A. Tue's. sales 31,939					
Tue's open int 97,155 up 2389					
Livestock					
CATTLE (CMER) 40,000 lbs.- cents per lb.					
Aug 97	66.85	65.55	66.70	+0.92	30,813
Oct 97	69.70	68.65	69.60	+0.90	37,688
Dec 97	71.72	70.97	71.67	+0.57	17,106
Feb 98	73.47	72.80	73.42	+0.32	9,010
Apr 98	75.32	74.65	75.30	+0.35	3,603
Jun 98	71.85	71.25	71.60	+0.10	2,651
Est. sales 16,725 Tue's. sales 15,278					
Tue's open int 101,082 up 2160					
FEEDER CATTLE (CMER) 50,000 lbs.- cents per lb.					
Aug 97	83.20	81.62	82.67	+0.60	10,677
Sep 97	82.75	81.25	82.47	+0.57	3,226
Oct 97	82.95	81.40	82.45	+0.55	4,782
Nov 97	84.05	82.60	83.65	+0.30	3,474
Jan 98	84.00	83.10	83.72	+0.15	1,771
Mar 98	83.70	82.85	83.37	+0.12	838
Est. sales 4,335 Tue's. sales 3,082					
Tue's open int 25,102 up 481					
HOGS-Lean (CMER) 40,000 lbs.- cents per lb.					
Aug 97	80.72	79.75	79.95	—0.40	11,958
Oct 97	72.85	72.00	72.42	—0.02	13,227
Dec 97	69.40	68.95	69.12	—0.17	5,507
Feb 98	67.85	67.35	67.60	—0.10	1,970
Apr 98	63.70	63.25	63.35	+0.10	1,327
Est. sales 7,829 Tue's. sales 8,865					
Tue's open int 35,495 up 566					
PORK BELLIES (CMER) 40,000 lbs.- cents per lb.					
Jul 97	84.70	82.80	82.80	—3.00	397
Aug 97	82.25	80.80	81.10	—2.17	4,452
Feb 98	70.60	69.80	70.10	—0.27	1,155
Est. sales 7,084 Tue's. sales 2,124					
Tue's open int 6,012 up 142					
Food					
COCOA (NCSE) 10 metric tons- $ per ton					
Sep 97	1520	1496	1497	—5	36,858
Dec 97	1563	1546	1547	—2	23,520
Mar 98	1600	1583	1584	—1	23,514
May 98	1616	1604	1604	—1	10,159
Jul 98	1635	1622	1622	—1	1,245
Sep 98	1665	1642	1642	—1	3,705
Est. sales 8,122 Tue's. sales 9,491					
Tue's open int 99,624 off 1180					
COFFEE C (NCSE) 37,500 lbs.- cents per lb.					
Sep 97	184.50	167.50	181.65	+12.55	11,902
Dec 97	161.00	150.50	158.15	+6.40	5,804
Mar 98	145.00	140.50	144.00	+4.00	3,041
May 98	139.50	136.00	139.50	+4.25	890
Jul 98	136.00	132.50	136.00	+3.25	421
Est. sales 7,936 Tue's. sales 7,500					
Tue's open int 22,325 up 352					
SUGAR-WORLD 11 (NCSE) 112,000 lbs.- cents per lb.					
Oct 97	11.58	11.45	11.49	—0.10	105,870
Mar 98	11.77	11.68	11.71	—0.06	52,010
May 98	11.66	11.56	11.62	—0.04	11,284
Jul 98	11.56	11.49	11.55		5,485
Est. sales 685 Tue's. sales 50,377					
Tue's open int 177,746 up 1679					

	High	Low	Latest	Chge	Opint
ORANGE JUICE (NCTN) 15,000 lbs.- cents per lb.					
Sep 97	75.70	73.65	73.85	—0.10	19,837
Nov 97	77.80	76.20	76.25	—0.05	7,164
Jan 98	81.10	79.15	79.15	—0.35	2,963
Mar 98	84.00	82.25	82.35	+0.05	2,058
Est. sales N.A. Tue's. sales 1,214					
Tue's open int 31,778 off 125					
Metals					
GOLD (NCMX) 100 troy oz.- dollars per troy oz.					
Jul 97			323.30	—2.00	1
Aug 97	326.10	323.70	323.80	—2.20	75,187
Sep 97			324.40	—2.20	2
Oct 97	327.50	325.20	325.40	—2.20	12,232
Dec 97	329.20	326.70	326.90	—2.50	52,960
Feb 98	330.80	329.00	329.00	—2.50	18,248
Apr 98			331.20	—2.60	5,178
Jun 98	334.30	333.60	333.60	—2.70	7,496
Aug 98			336.10	—2.70	2,519
Est. sales N.A. Tue's. sales 72,690					
Tue's open int 204,631 off 7865					
HI GRADE COPPER (NCMX) 25,000 lbs.- cents per lb.					
Jul 97	109.50	107.50	107.90	—2.00	3,985
Aug 97	107.70	105.60	105.65	—1.70	3,529
Sep 97	107.30	104.80	105.60	—1.25	21,634
Oct 97	105.60	104.50	104.50	—1.15	1,485
Nov 97			104.20	—1.10	1,342
Dec 97	104.20	102.50	102.30	—0.95	7,749
Jan 98	103.80	102.50	102.50	—0.95	745
Feb 98			101.95	—0.75	633
Mar 98	102.20	101.40	101.40	—0.55	2,542
Est. sales N.A. Tue's. sales 6,545					
Tue's open int 47,962 up 56					
SILVER (NCMX) 5,000 troy oz.- cents per troy oz.					
Jul 97	429.00	425.50	426.90	—0.60	142
Aug 97			427.00	—0.60	
Sep 97	433.00	425.50	429.50	—0.80	59,983
Dec 97	438.50	432.00	435.60	—0.90	15,657
Jan 98			437.30	—0.90	20
Mar 98	441.70	440.00	441.70	—0.90	9,442
May 98			445.50	—0.90	2,876
Jul 98			449.30	—0.90	2,054
Est. sales N.A. Tue's. sales 13,532					
Tue's open int 94,829 off 2007					
PLATINUM (NMER) 50 troy oz.- dollars per troy oz.					
Jul 97	422.70	417.50	422.70	+1.50	330
Oct 97	409.50	403.00	408.20	—1.00	10,179
Jan 98	399.50	394.10	398.20	—3.00	1,909
Est. sales N.A. Tue's. sales 1,487					
Tue's open int 12,565 up 379					

LONDON METALS (LME) Dollars per metric ton

	Close		Previous	
Aluminum (High Grade)				
Spot	1627.00	1628.00	1588.00	1589.00
Forward	1638.00	1639.00	1609½	1610.00
Copper Cathodes (High Grade)				
Spot	2353.00	2357.00	2395.00	2398.00
Forward	2283.00	2285.00	2300.00	2301.00
Lead				
Spot	634.00	635.00	630.00	631.00
Forward	647.00	648.00	640.00	641.00
Nickel				
Spot	6655.00	6665.00	6650.00	6660.00
Forward	6770.00	6771.00	6765.00	6770.00
Tin				
Spot	5330.00	5340.00	5325.00	5335.00
Forward	5385.00	5395.00	5380.00	5390.00
Zinc (Special High Grade)				
Spot	1573.00	1575.00	1531.00	1532.00
Forward	1553.00	1555.00	1531.00	1532.00

	High	Low	Close	Chge	Opint
Financial					
US T. BILLS (CMER) $1 million- pts of 100 pct.					
Sep 97	94.92	94.91	94.92	+0.01	7,831
Dec 97	94.83	94.81	94.82	+0.02	646
Mar 98			94.73		36
Est. sales N.A. Tue's. sales 137					
Tue's open int 8,513					
5 YR. TREASURY (CBOT) $100,000 prin- pts & 64ths of 100 pct					
Sep 97	107-33	107-24	107-25	+ 02	227,558
Dec 97	107-15	107-09	107-09	+ 02	2,549
Mar 98			-01		
Est. sales N.A. Tue's. sales 47,874					
Tue's open int 230,107 up 619					
10 YR. TREASURY (CBOT) $100,000 prin- pts & 32nds of 100 pct					
Sep 97	110-12	110-03	110-05	+ 02	358,492
Dec 97	110-03	109-27	109-27	+ 02	11,827
Mar 98			109-19	+ 02	228
Est. sales N.A. Tue's. sales 57,053					
Tue's open int 370,547 up 6905					
US TREASURY BONDS (CBOT) (8 pct-$100,000-pts & 32nds of 100 pct)					
Sep 97	115-23	115-07	115-12	+ 04	498,219
Dec 97	115-13	114-27	115-00	+ 04	36,428
Mar 98	114-30	114-23	114-23	+ 04	16,186
Jun 98	114-19	114-11	114-11	+ 03	661
Est. sales 1 Tue's. sales 404,195					
Tue's open int 552,601 up 23150					
LIBOR 1-MONTH (CMER) $3 million- pts of 100 pct.					
Aug 97	94.37	94.36	94.36		23,328
Sep 97	94.37	94.34	94.36	+0.01	9,434
Oct 97	94.34	94.33	94.33	+0.01	3,944
Est. sales N.A. Tue's. sales 5,276					
Tue's open int 40,223 off 603					
GERMAN GOV. BUND (LIFFE) DM250,000 - pts of 100 pct					
Sep 97	103.52	103.17	103.22	+0.19	280,479
Dec 97	102.56	102.31	102.33	+0.21	10,620
Est. sales: 198,311. Prev. sales: 162,188					
Prev. open int.: 291,299 up 70,002					

	High	Low	Latest	Chge	Opint
LONG GILT (LIFFE) £50,000 - pts & 32nds of 100 pct					
Sep 97	115-21	115-07	115-18	+0-20	149,198
Dec 97	115-07	115-02	115-05	+0-20	2,838
Est. sales: 119,060. Prev. sales: 62,988					
Prev. open int.: 172,036 up 7,750					
10-YEAR FRENCH GOV. BONDS (MATIF) FF500,000 - pts of 100 pct					
Sep 97	131.24	130.94	131.02	+ 0.22	210,702
Dec 97	99.96	99.74	99.80	+ 0.34	5,567
Est. sales: 152,749.					
Open int.: 216,269 up 8,220.					
ITALIAN GOVERNMENT BOND (LIFFE) ITL 200 million - pts of 100 pct					
Sep 97	128.44	127.90	128.04	+0.48	108,671
Dec 97	110.10	109.62	109.82	+0.41	2,384
Est. sales: 66,415. Prev. sales: 64,001					
Prev. open int.: 111,055 up 3,549					
EURODOLLARS (CMER) $1 million-pts of 100 pct.					
Aug 97	94.29	94.28	94.28		23,529
Sep 97	94.28	94.26	94.27	+0.01	529,594
Oct 97	94.21	94.19	94.20	-0.01	2,491
Dec 97	94.15	94.12	94.13	+0.02	467,173
Mar 98	94.12	94.08	94.10	+0.01	328,164
Jun 98	94.03	93.99	94.01	+0.01	267,059
Sep 98	93.93	93.90	93.91	+0.01	206,348
Dec 98	93.83	93.79	93.81	+0.02	159,881
Mar 99	93.80	93.77	93.79	+0.02	123,753
Jun 99	93.76	93.74	93.75	+0.02	93,190
Sep 99	93.74	93.71	93.72	+0.02	77,940
Dec 99	93.67	93.64	93.65	+0.02	69,775
Est. sales N.A. Tue's. sales 425,766					
Tue's open int 2,714,334 up 13599					
BRITISH POUND (CMER) 62,500 pounds, $ per pound					
Sep 97	1.6832	1.6670	1.6754		64,547
Dec 97	1.6744	1.6650	1.6696		879
Mar 98			1.6636		199
Est. sales 9,013 Tue's. sales 6,565					
Tue's open int 65,625 up 3013					
CANADIAN DOLLAR (CMER) 100,000 dollars, $ per Cdn. dlr					
Sep 97	.7292	.7258	.7263		39,864
Dec 97	.7328	.7286	.7296		2,816
Mar 98	.7353	.7333	.7323		576
Est. sales 9,424 Tue's. sales 10,765					
Tue's open int 43,465 up 151					
GERMAN MARK (CMER) 125,000 marks, $ per mark					
Sep 97	.5530	.5476	.5494		128,858
Dec 97	.5539	.5517	.5528		1,335
Mar 98			.5562		544
Est. sales 21,514 Tue's. sales 43,501					
Tue's open int 130,847 up 1448					
JAPANESE YEN (CMER) 12.5 million yen, $ per 100 yen					
Sep 97	.8775	.8688	.8713		58,001
Dec 97	.8840	.8810	.8825		1,831
Mar 98	.8939	.8916	.8939		222
Est. sales 15,936 Tue's. sales 20,909					
Tue's open int 60,054 up 1859					
SWISS FRANC (CMER) 125,000 francs, $ per franc					
Sep 97	.6796	.6746	.6771		51,887
Dec 97	.6852	.6828	.6841		1,451
Mar 98	.6895	.6895	.6913		953
Est. sales 10,915 Tue's. sales 14,572					
Tue's open int 56,391 up 944					
MEXICAN PESO (CMER) 500,000 pesos, $ per peso					
Sep 97	.12530	.12470	.12500		19,347
Dec 97	.12095	.12050	.12067		12,893
Mar 98	.11705	.11670	.11685		4,312
Est. sales 9,821 Tue's. sales 9,727					
Tue's open int 38,265 up 2397					
3-MONTH STERLING (LIFFE) £500,000 - pts of 100 pct					
Sep 97	92.84	92.79	92.81	+0.01	124,086
Dec 97	92.65	92.59	92.63	+0.03	127,587
Mar 98	92.58	92.51	92.56	+0.04	105,384
Jun 98	92.60	92.52	92.58	+0.06	73,321
Sep 98	92.65	92.59	92.64	+0.07	53,609
Dec 98	92.70	92.62	92.68	+0.07	44,247
Mar 99	92.73	92.67	92.72	+0.08	36,736
Est. sales: 151,080. Prev. sales: 53,343					
Prev. open int.: 626,173 up 354					
3-MONTH EUROMARK (LIFFE) DM1 million - pts of 100 pct					
Aug 97	96.81	96.81	96.80	—0.03	1,286
Sep 97	96.80	96.75	96.76	—0.02	294,503
Oct 97	96.73	96.70	96.70	—0.02	1,265
Dec 97	96.69	96.59	96.61	—0.04	272,426
Mar 98	96.60	96.48	96.50	—0.04	267,077
Jun 98	96.43	96.31	96.32	—0.06	190,602
Sep 98	96.23	96.13	96.13	—0.07	149,321
Dec 98	95.99	95.87	95.88	—0.07	129,741
Mar 99	95.79	95.68	95.69	—0.06	92,525
Jun 99	95.59	95.50	95.52	—0.06	54,136
Est. sales: 305,946. Prev. sales: 143,992					
Prev. open int.: 1,566,158 up 10,816					
3-MONTH PIBOR (MATIF) FF5 million - pts of 100 pct					
Sep 97	96.60	96.55	96.55	— 0.01	65,419
Dec 97	96.54	96.47	96.48	— 0.02	33,737
Mar 98	96.48	96.40	96.40	— 0.03	28,390
Jun 98	96.38	96.29	96.30	— 0.04	27,244
Sep 98	96.27	96.17	96.17	— 0.06	34,816
Dec 98	96.08	95.97	95.98	— 0.07	24,269
Mar 99	95.88	95.78	95.78	— 0.08	16,477
Est. sales: 83,965.					
Open int.: 256,966 off 2,129.					
3-MONTH EUROLIRA (LIFFE) ITL 1 million - pts of 100 pct					
Sep 97	93.37	93.23	93.34	+0.01	110,143
Dec 97	93.79	93.75	93.76	+0.02	86,692
Mar 98	94.17	94.12	94.13	+0.03	50,900
Jun 98	94.46	94.41	94.42	+0.04	40,458
Sep 98	94.65	94.60	94.62	+0.05	31,524
Dec 98	94.81	94.75	94.75	+0.04	24,226
Mar 99	94.80	94.74	94.75	+0.05	12,131
Jun 99	94.70	94.65	94.65	+0.04	5,991
Est. sales: 50,245. Prev. sales: 45,775					
Prev. open int.: 362,165 off 684					

	High	Low	Latest	Chge	Opint
Industrials					
COTTON 2 (NCTN) 50,000 lbs.- cents per lb.					
Oct 97	74.89	74.35	74.56	—0.02	11,541
Dec 97	74.77	74.30	74.61	+0.03	43,818
Mar 98	75.92	75.60	75.80	—0.05	9,789
May 98	76.40	76.30	76.30	—0.20	2,539
Jul 98	77.00	76.75	76.75	—0.20	1,496
Est. sales N.A. Tue's. sales 5,688					
Tue's open int 74,616 up 139					
HEATING OIL (NMER) 42,000 gal, cents per gal					
Aug 97	53.50	52.52	53.28	+0.58	23,978
Sep 97	54.10	53.10	53.83	+0.55	31,911
Oct 97	54.60	53.95	54.48	+0.55	23,809
Nov 97	55.40	54.95	55.33	+0.55	16,957
Dec 97	56.30	55.75	56.13	+0.55	16,846
Jan 98	56.80	56.25	56.63	+0.55	14,731
Feb 98	57.80	56.50	56.73	+0.40	7,296
Mar 98	56.15	55.90	55.93	+0.40	7,139
Apr 98	54.90	54.60	54.63	+0.40	2,993
Est. sales N.A. Tue's. sales 25,298					
Tue's open int 152,917 off 1454					
LIGHT SWEET CRUDE (NMER) 1,000 bbl.- dollars per bbl.					
Sep 97	19.71	19.40	19.63	+0.13	94,198
Oct 97	19.75	19.49	19.70	+0.14	49,089
Nov 97	19.81	19.55	19.75	+0.14	27,569
Dec 97	19.85	19.61	19.79	+0.14	48,742
Jan 98	19.82	19.73	19.82	+0.14	25,344
Feb 98	19.84	19.74	19.84	+0.14	12,072
Mar 98	19.85	19.77	19.85	+0.14	5,754
Apr 98	19.87	19.82	19.87	+0.14	5,323
May 98	19.89	19.82	19.89	+0.14	7,781
Jun 98	19.87	19.80	19.89	+0.13	28,157
Est. sales N.A. Tue's. sales 122,884					
Tue's open int 415,224 up 2035					
NATURAL GAS (NMER) 10,000 mm btu's, $ per mm btu					
Aug 97	2.155	2.120	2.148		31,062
Sep 97	2.105	2.070	2.093		34,912
Oct 97	2.115	2.080	2.108		24,576
Nov 97	2.354	2.235	2.254		12,409
Dec 97	2.410	2.385	2.400		14,081
Jan 98	2.440	2.420	2.435		16,586
Feb 98	2.368	2.345	2.355		10,682
Mar 98	2.250	2.240	2.250		6,792
Apr 98	2.130	2.115	2.120		3,731
May 98	2.090	2.080	2.085		3,078
Est. sales N.A. Tue's. sales 45,913					
Tue's open int 208,570 up 3346					
UNLEADED GASOLINE (NMER) 42,000 gal, cents per gal					
Aug 97	61.40	59.50	61.12	+1.10	25,586
Sep 97	58.80	57.75	58.64	+0.70	25,989
Oct 97	56.80	56.30	56.79	+0.48	9,730
Nov 97	56.00	55.60	55.91	+0.40	4,488
Dec 97	55.80	55.35	55.49	+0.34	7,123
Jan 98	55.75	55.20	55.59	+0.24	5,854
Feb 98			55.99	+0.34	1,448
Mar 98			56.59	+0.24	3,331
Est. sales N.A. Tue's. sales 27,613					
Tue's open int 86,134 up 130					
GASOIL (IPE) U.S. dollars per metric ton - lots of 100 tons					
Aug 97	165.25	163.25	165.00	+3.25	19,152
Sep 97	166.75	164.75	166.25	+3.25	11,389
Oct 97	168.50	167.50	168.00	+1.00	8,826
Nov 97	170.00	169.00	170.00	+1.25	5,848
Dec 97	171.50	170.25	171.25	+1.00	10,604
Jan 98	172.00	171.00	171.50	+0.75	6,466
Feb 98	172.00	171.00	171.50	+0.75	4,246
Mar 98	N.T.	N.T.	170.00	+0.75	2,112
Est. sales:12,506. Prev. sales: 11,403					
Prev. open int.: 72,624 up 2,562					
BRENT OIL (IPE) U.S. dollars per barrel - lots of 1,000 barrels					
Sep 97	18.43	18.20	18.39	+0.17	79,325
Oct 97	18.44	18.25	18.40	+0.11	28,906
Nov97	18.52	18.36	18.51	+0.10	11,553
Dec97	18.63	18.46	18.60	+0.09	17,155
Jan98	18.65	18.54	18.62	+0.09	13,003
Feb98	18.64	18.52	18.61	+0.09	5,238
Mar98	18.60	18.54	18.59	+0.09	2,645
Est. sales: 34,205. Prev. sales: 18,852					
Prev. open int.:165,685 off 314					
Stock Indexes					
S&P COMP. INDEX (CMER) 500 x index					
Sep 97	949.25	940.00	944.70	+2.45	176,140
Dec 97	957.25	952.50	956.40	+4.05	5,387
Mar 98			962.25		1,887
Est. sales N.A. Tue's. sales 67,360					
Tue's open int 184,127 off 674					
CAC 40 (MATIF) FF200 per index point					
Jul 97	3036.00	2990.00	3011.00	+80.0	27,626
Aug 97	3038.00	3002.00	3019.50	+80.0	4,930
Sep 97	3045.00	3010.00	3027.50	+80.5	21,492
Dec 97	3064.50	3062.00	3051.00	+80.0	971
Mar 98	N.T.	N.T.	3075.50	+80.5	8,817
Est. sales: 31,668.					
Open int.: 72,272 up 1,846.					
FTSE 100 (LIFFE) £25 per index point					
Sep 97	4969.0	4866.0	4887.0	+9.0	73,437
Dec 97	5020.0	5020.0	4950.0	+9.0	4,681
Mar 98	N.T	N.T	4995.0	+15.0	101
Est. sales: 14,906. Prev. sales: 9,783					
Prev. open int.: 78,219 off 232					

Commodity Indexes

	Close	Previous
Moody's	1,536.80	1,534.40
Reuters	1,883.70	1,884.40
D.J. Futures	147.90	147.19
CRB	236.28	235.09

Sources: Matif, Associated Press, London Int'l Financial Futures Exchange, Int'l Petroleum Exchange.

مكتبة من الاصل

. Economy
lar Ahead

"Stocks are high, and it looks like they're going to go higher," Mr Torres said.
The dollar dipped briefly ... day trading, however, after ... Rivlin suggested it might ... much stronger.
The dollar also got momentum against the mark on expectations that slow growth and record employment in Europe would ...

FOREIGN EXCHANGE

some countries from meeting ... targets for economic and monetary union, resulting in a weak ...
"There has been no change in sentiment, with the markets ... as yesterday, characterized by ... weakness on EMU worries," ... David Coleman, an analyst ... CIBC.

tic View of Econom

EUROPE

Alitalia Returned To Profit In 1st Half

Compiled by Our Staff From Dispatches

ROME — Alitalia SpA, the country's troubled flag carrier, returned to profit in the first half of this year, Transport Minister Claudio Burlando said Wednesday.

"Alitalia made a profit of around 10 billion lire," he said.

The Alitalia group had an after-tax loss of 1.203 trillion lire ($683.5 million) in 1996, its ninth consecutive year of losses. But the airline's commercial director, Federico Nucci, said last month that Alitalia could return to profit in 1997.

"This is a demonstration that *our efforts to clean up* the national airline are producing big results," Mr. Burlando said.

He declined to respond to a question about whether KLM Royal Dutch Airlines NV was interested in taking a stake in Alitalia.

But he did say that the first-half results and the good results that were expected for the second half made Alitalia a "credible" potential partner for foreign companies.

Last week, the European Commission cleared a payment of 2.75 trillion lire in state-funded aid to Alitalia, imposing various conditions in return for approval.

The aid clearance, widely *signaled in advance* after the successful conclusion of negotiations between the commission and the Rome government, included a requirement that the airline sell its holding in Malev, the Hungarian carrier.

Payment of the aid will come in three installments of 2 trillion lire, 500 billion lire and 250 billion lire.

The first payment is due immediately and includes 1 trillion lire paid in June 1996, the commission said. The rest is conditional on the satisfactory progress of Alitalia's restructuring plan. *(Reuters, AFX)*

Deutsche Bank Goes Shopping in France

By John Schmid
International Herald Tribune

FRANKFURT — Deutsche Bank AG, Europe's biggest bank, said Wednesday it wanted to expand by buying a bank in France and that it would do so before the start of monetary union in 1999.

The expansion ambitions of Chairman Rolf-Ernst Breuer, only three months into his job, add a pan-European dimension to the consolidation under way in the European banking sector, a trend that has accelerated as Europe's banks brace for competition brought on by a planned new currency and a deregulated market.

"We are very interested in the French market," Mr. Breuer told Bloomberg News. "We are taking a wait-and-see attitude now because we do not know what the attitude of the new French government will be vis-a-vis foreign suitors."

His remarks sent shares of French banks sharply higher. Credit Commercial de France, a private bank that many analysts say would be a logical fit into the Deutsche Bank empire, rose nearly 8 percent to close at 282 francs ($46.13).

Deutsche Bank's *own shares* also rallied, jumping 8 percent to close at 126 Deutsche marks ($69.51).

"Germany and France are the core markets, and they want to secure their *position at the very heart of monetary union,*" said Mathew Czepliewicz, European banking analyst at Salomon Brothers in London.

Deutsche wants to buy before the euro starts.

Even as it sets its sights on further growth, Deutsche Bank is paying a price for its ambitions. While the bank's net income rose 27 percent in the first half of the year, so did its operating costs.

Those higher costs have prompted the bank to look for 1 billion DM in savings next year, including a radical reorganization of its trading operations. Instead of 35 trading centers around the globe, the bank will pare those back to five trading "hubs" in Frankfurt, New York, London, Tokyo and Singapore.

Deutsche Bank was unwilling to disclose concrete takeover targets, *and Mr. Breuer said no negotiations* had been held yet. But he said he was "hopeful" for such an acquisition before the planned launch of the single currency, the euro, in 1999 and *confirmed that the bank began scouting* around in France before that country's elections in May *and June that put* a Socialist government in power. The government of Prime Minister Lionel Jospin, with its ideological resistance to privatizations, has stalled the search for takeover candidates, Mr. Breuer said.

"If the present government shows it is more open to a purchase of a French institution by a non-French institution, that would activate our interests," Mr. Breuer said. In the approximately six weeks since Mr. Jospin took over, he has become "surprisingly" more pragmatic on allowing privatizations, Mr. Breuer said. In Germany, Deutsche Bank has no plans to acquire any operations, *Mr. Breuer said. That was something* of a surprise to analysts after the two largest banks in Bavaria announced this week that they would merge.

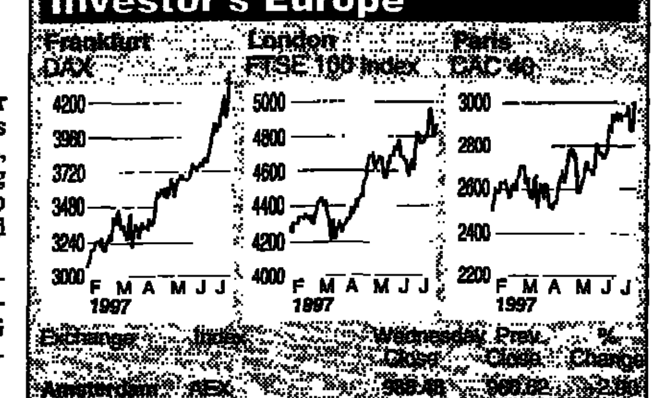
The fusion of Bayerische Vereinsbank AG and Bayerische Hypotheken- & Wechsel-Bank AG would create Germany's second-largest bank, after Deutsche Bank.

Mr. Breuer criticized the Bav*arian merger* as lacking an international focus.

"Our strategy is clearly different," he said. "We want to be a globally active investment bank and a focused universal bank. These aims have only been affected peripherally by the formation of a new No. 2 in Germany."

As a "priority," Mr. Breuer said, Deutsche Bank sees an opportunity to profit in France from a big shift under way on the Continent toward privately financed pensions that seek to reduce the dependence on state-sponsored retirement benefits.

Investor's Europe



Exchange	Index	Wednesday Close	Prev. Close	% Change
Amsterdam	AEX	988.48	960.62	+2.90
Brussels	BEL-20	2,601.56	2,539.52	+2.44
Frankfurt	DAX	4,406.89	4,230.42	+4.15
Copenhagen	Stock Market	652.29	644.04	+1.28
Helsinki	HEX General	3,469.10	3,431.30	+1.10
Oslo	OBX	690.45	676.11	+2.12
London	FTSE 100	4,874.50	4,846.70	+0.57
Madrid	Stock Exchange	612.76	605.07	+1.27
Milan	MIBTEL	15163	14928	+1.57
Paris	CAC 40	3,003.53	2,921.13	+2.82
Stockholm	SX 16	3,525.82	3,483.29	+1.22
Vienna	ATX	1,452.78	1,408.44	+3.15
Zurich	SPI	3,708.58	3,606.20	+2.84

Source: Telekurs. International Herald Tribune

Volvo Buys Rest of U.S. Truck Unit

Bloomberg News

STOCKHOLM — Volvo AB said Wednesday it had acquired the 13 percent of Volvo GM Heavy Truck Corp. it did not already own, continuing its effort to make money in its U.S. truck operations.

The name of the company will be changed to Volvo Trucks North America Inc., Volvo said.

"We will gain through this transaction by polishing our profile in the U.S.," said Stefan Lorentzson, head of information at Volvo's truck division, adding that Volvo would now have full decision-making powers within the company.

He did not say how much Volvo had paid General Motors Corp. for the stake.

Volvo GM Heavy Truck was established as a joint venture between Volvo and GM in 1986. Volvo initially had a 76 percent stake in the company and later increased its share to 87 percent.

Volvo's truck division consists of its Swedish truck-making business as well as Volvo GM Heavy Truck.

Weak demand and management problems in the United States caused Volvo GM Heavy Truck to start losing money last year. After closing a U.S. plant and hiring a new president, Volvo now aims to break even in its U.S. truck operations by year-end.

Volvo's truck division posted an operating profit of 688 million kronor ($88.4 million) in the first half of 1997, compared with 1.08 billion kronor a year earlier.

By comparison, operating profit in the car division was 2.15 billion kronor in the first six months of this year.

Volvo's *B* shares rose 6 kronor to close at a record 219.

SAP's Profit Rises 56% on Strong Dollar

Compiled by Our Staff From Dispatches

WALLDORF, Germany — SAP AG said Wednesday that its first-half profit rose 56 percent and that it would seek a listing on the New York Stock Exchange by the end of next year.

SAP, the world's largest maker of business-management software, earned 582 million Deutsche marks ($321 million) in the six months, compared with 374 million DM a year earlier.

The company said this month that its earnings would be lifted by rising demand from the auto industry and by a weaker German currency. SAP gets about 40 percent of its sales in the United States. It "has been positively affected by the dollar surge," said Peter Thilo Hasler, an analyst at Bayerische Vereinsbank AG.

SAP also said its supervisory board had approved plans to give its chairman, Dietmar Hopp, and his deputy, Hasso Plattner, joint status.

SAP's shares closed at 431.30 DM in Frankfurt, up 16.80. *(AFX, Bloomberg)*

Telefonica Looks East

Compiled by Our Staff From Dispatches

MOSCOW — Telefonica de Espana SA confirmed Wednesday that it was part of an international consortium bidding for 25 percent of ROA Svyazinvest, Russia's telecommunications holding company, but Telecom Italia SpA said it would not be part of a deal.

Telefonica said its international unit, TISA, in a half-Russian, half-international consortium, had paid a $400 million deposit to Russian authorities for the right to bid for the first $1.18 billion tranche of shares in Svyazinvest.

Telecom Italia, which came close to buying a stake in Svyazinvest in 1995, said it would not submit an offer this time because the terms imposed by Moscow would not give the buyer control over the company's management or strategy.

Friday is the deadline the Russian government has set for accepting bids. *(Reuters, Bloomberg)*

Very briefly:

- **LVMH Moet Hennessy Louis Vuitton SA** brought its *stakes in both* **Grand Metropolitan PLC** and **Guinness PLC** to above 10 percent, allowing the maker of French luxury goods to call special shareholder meetings if the two reject its merger plan.
- Chancellor Helmut Kohl's cabinet approved legislation that *promises to deregulate and modernize financial markets in* Germany. The new legislation would temper restrictions that hamper companies' access to fresh capital.
- **Compagnie Industriali Riunite SpA** said Carlo De Benedetti, its chairman, proposed paying a financial settlement to *close an investigation into an alleged case of insider trading.* Public prosecutors in Turin are trying to determine if the holding company engaged in active trading of **Olivetti SpA** shares before Olivetti issued greater-than-expected losses.
- **Russia's** gross domestic product is set to remain at 1996 *levels in spite of a reported increase of 1 percent in the first* half, the Interfax news agency reported, citing a report by the Economics Ministry. President Boris Yeltsin said in March that GDP would rise by at least 2 percent this year.
- **Congo** has sold diamonds to Antwerp-based **Susskind**, the first time in many years it has dealt with a company other than the South African giant **De Beers Consolidated Mines Ltd.**
- **Reuters Holdings PLC** announced a 2.6 percent drop in pretax profits for the first six months of 1997 to £333 million ($559.6 million) as the strong pound eroded its performance.
- **Euro Disney SCA** said third-quarter operating revenue rose 8 percent, to 1.54 billion French francs ($250.7 million), because of higher attendance and hotel occupancies.
- **Britain** has appointed the accounting firm **Price Waterhouse & Co.** to advise it on the range of financial options available to revitalize the London Underground subway system.

Reuters, Bloomberg, AFX, AFP

WORLD STOCK MARKETS

Wednesday, July 23
Prices in local currencies.
Telekurs

Amsterdam
AEX index: 988.48 Previous: 960.62

	High	Low	Close	Prev.
ABN-AMRO	52.50	49.30	49.90	48.30
Aegon	162	157.50	161	155
Ahold	74.50	63.20	65.00	61.90
Akzo Nobel	298	289	294	285.70
Baan Co.	167.30	160	163.50	156.50
Bols Wess cva	42.30	41.40	41.90	41.30
CSM cva	101.40	99.70	100.20	99
Dordtsche Pet	117.80	115.00	115.50	113.00
DSM	238	230.30	230.30	229.40
Elsevier	39.40	38	38.60	37.40
Fortis Amev	100.80	97.10	98.90	94.90
Getronics	74.70	72.50	72.80	71.60
G-Broc cva	75.80	74.20	75	72.70
Hagemeyer	122	116.20	118	114.40
Heineken	335	322.50	326.30	319
Hoogovens cva	121.60	120	120.70	118.60
Hunt Douglas	N.T.	N.T.	N.T.	93.50
ING Group	106	103.70	104	102.20
KLM	71.40	70.40	70.60	70.20
KNP BT	47	46	46.20	45.70
KPN	85.80	84.20	84.70	83.80
Nedlloyd Gp	68	66.50	66.50	66.80
Nutricia	348	338	341.50	334.60
Oce Grinten	265	261.20	261.20	258
Philips Elec	165.30	158.30	162.10	152.70
Polygram	107	103.60	105	101.90
Randstad Hdg	226	221	223	221.50
Robeco	204	202.50	202.50	197.90
Rodamco	67.20	65.80	66.90	66.50
Rolinco	203.50	203.30	203.30	198
Rorento	119.50	118.70	119.50	117.50
Royal Dutch	116.30	112.50	113.50	111.40
Unilever cva	451.40	442.50	450.30	436.20
Vendex Intl	115.90	112.40	113.90	111.90
VNU	47.60	46.40	46.70	45.60
Wolters Kl cva	287.50	275	277.40	280

Bangkok
SET index: 631.28 Previous: 659.78

	High	Low	Close	Prev.
Adv Info Svc	234	204	210	226
Bangkok Bk F	244	238	240	238
Krung Thai Bk	37	32.25	32.50	35.75
PTT Explor	410	400	402	406
Siam Cement F	612	532	532	570
Siam Com Bk F	139	125	125	133
Telecomasia	43.25	38.25	38.25	42.25
Thai Airways	56	50	51	55.50
Thai Farm Bk F	148	138	139	145
Utd Comm	121	116	118	119

Bombay
Sensex 30 index: 4251.13 Previous: 4186.29

	High	Low	Close	Prev.
Bajaj Auto	923.75	907.25	919	922.75
Hindust Lever	1377	1337	1364.25	1335.75
Hindust Petm	496	489.75	495	488
Ind Dev Bk	97	93	93.50	96
ITC	515.50	508	513.50	508.50
Mahanagar Tel	280	266	277.75	267.50
Reliance Ind	361	346.50	359.50	346.75
State Bk India	331	325.75	329.50	327.25
Steel Authority	24.75	24	24.25	24
Tata Eng Loco	408.75	401	406	400.75

Brussels
BEL-20 index: 2601.56 Previous: 2539.52

	High	Low	Close	Prev.
Almanij	16650	16125	16650	16100
Barco Ind	8060	7900	8030	7960
BBL	9900	9700	9900	9660
CBR	3400	3300	3375	3220
Colruyt	19275	19125	19175	19150
Delhaize Lion	2025	2005	2010	1975
Electrabel	7880	7830	7880	7780
Electrafina	3650	3600	3650	3565
Fortis AG	8260	8160	8220	8040
Gevaert	3360	3310	3360	3305
GBL	6110	6060	6110	5990
Gen Banque	15075	14900	15000	14825
Kredietbank	16500	15850	16300	15400
Petrofina	14800	14625	14725	14550
Powerfin	5060	5000	5010	5030
Royale Belge	11500	11200	11350	11100
Soc Gen Belg	3715	3665	3700	3575
Solvay	22775	22500	22725	22100
Tractebel	15250	15050	15050	15175
UCB	149000	145150	147500	142800

Copenhagen
Stock index: 652.29 Previous: 644.04

	High	Low	Close	Prev.
BG Bank	405	391	395	387
Carlsberg B	374	368.70	371	367
Codan Fors	1000	960	995.75	970
Danisco	434	395	395	393
Den Danske Bk	788	771	773	766.37
D/S Svendborg B	434000	420000	425000	420000
D/S 1912 B	302755	290000	290000	290500
FLS Ind B	270	250	250.83	248.38
Kob Lufthavne	775	749	749	755
Nvo Nordisk B	811	780	785.98	793
Sophus Ber B	999	988	993	970
Tele Danmk B	406	394	399	393
Tryg Baltica	416	404	411	405
Unidanmark A	438	429	430	422

Frankfurt
DAX: 4406.89 Previous: 4230.42

	High	Low	Close	Prev.
AMB B	1865	1835	1860	1855
Adidas	219	210	210	218.50
Allianz Hdg	498.50	483	490	455.50
Altana	181	176	178.20	178
Bk Berlin	41.75	41	41.20	40.20
BASF	71.95	70	71.30	68.60
Bayer Hypo Bk	80.50	79	79.60	73.45
Bay.Vereinsbank	125	112	115	95.60
Bayer	78	75.75	77.75	73.50
Beiersdorf	93	91	92	87.60
Bewag	39.50	38	38	37.90
BMW	1507	1490	1499	1462
CKAG Colonia	205	197.50	197.50	188
Commerzbank	66	61.50	65	63
Daimler Benz	153.20	148.50	148.50	146.20
Degussa	95.50	93.50	95	91.50
Deutsche Bank	132	123	126	116.65
Deut Telekom	43.70	42.90	43.70	42.80
Dresdner Bank	89.20	83.50	83.80	83.60
Fresenius	363	355	355	363
Fresenius Med	154	152.50	153	152.90
Fried. Krupp	319.80	316	317.70	318
Gehe	120	115	116.30	117.60
Heidelbg Zmt	167	156	156	162
Henkel pfd	103.90	99.50	102.80	100.50
HEW	455	455	455	455
Hochtief	83.50	77	77	80.50
Hoechst	88	83.50	88	82.10
Karstadt	708	678	688.50	682.50
Lahmeyer	87.80	87.50	87.50	86
Linde	1375	1325	1375	1283
Lufthansa	36	35.50	35.65	34.05
MAN	566.50	544	563	529
Mannesmann	807	797	807	793
Metallgesellschaft	38.70	38	38.30	37.50
Metro	220	217	218	220
Munch Rueck R	7000	6650	6680	6680
Preussag	565	554	565	548.50
RWE	79	76.40	78.20	74.80
SAP pfd	431.30	424	431.30	414.50
Schering	202.50	196.50	200.50	195
SGL Carbon	243	240	243	242.50
Siemens	120.60	118.30	120.15	115.70
Springer (Axel)	1675	1675	1675	1675
Suedzucker	930	895	895	906
Thyssen	419.50	416.50	418	410.50
Veba	101.40	99.80	101.30	99.65
VEW	570	570	570	585
Viag	783	770	774	776
Volkswagen	1413	1397	1402	1395

Helsinki
HEX General index: 3469.10 Previous: 3431.30

	High	Low	Close	Prev.
Enso A	48.50	48.20	48.30	48
Huhtamaki I	235	232	235	228
Kemira	52	50	50	51
Kesko	77.50	76.60	76.60	76.60
Merita A	23.50	22.30	23.30	22
Metra B	173	170	172	169.50
Metso-Serla B	45.60	44.30	44.50	44.50
Neste	139	137	138	136
Nokia A	429.50	424.50	425	423
Orion-Yhtymae	200	198	198	198
Outokumpu A	105	104	104	103.20
UPM-Kymmene	135	133	133.50	131.60
Valmet	90.50	89.70	89.90	89.80

Hong Kong
Hang Seng: 15738.81 Previous: 15446.79

	High	Low	Close	Prev.
Amoy Props	8.20	8.10	8.15	8.10
Bk East Asia	33	32.50	32.70	32.50
Cathay Pacific	15.20	14.80	14.80	14.90
Cheung Kong	75	73.75	74.75	73.50
CK Infrastruct	25.65	25.20	25.30	25.15
China Light	45.40	44.30	45.10	44.20
Citic Pacific	46.80	46.20	46.40	46.10
Dao Heng Bk	46.80	46.20	46.50	45.50
First Pacific	9.35	9.15	9.25	9.15
Hang Lung Dev	14.20	13.95	14.05	13.95
Hang Seng Bk	117.50	115	117	114.50
Henderson Inv	8.55	8.35	8.50	8.35
Henderson Ld	68	67	68	66.50
HK China Gas	17.20	16.35	16.35	16.90
HK Electric	32.20	31.60	31.80	31.60
HK Telecomm	20.50	20.15	20.40	20
Hopewell Hdgs	5.05	4.75	4.88	4.78
HSBC Hdgs	265	259	265	258
Hutchison Wh	68.75	67	68.75	66.25
Hysan Dev	24	23.70	23.75	23.80
Johnson El Hdg	23	22.70	22.90	22.60
Kerry Props	18.85	18.40	18.85	18.40
New World Dev	49.20	48.10	49.20	48
Oriental Press	3	2.93	2.93	2.93
Pearl Oriental	1.35	1.26	1.28	1.32
SHK Props	90.75	88.50	90.50	88.25
Shun Tak Hdgs	4.63	4.58	4.63	4.60
Sino Land Co.	7.50	7.30	7.45	7.35
Sth China Post	7.85	7.70	7.80	7.70
Swire Pac A	68	67	67	66.50
Wharf Hdgs	32.40	31.70	31.80	31.60
Wheelock	17.90	17.70	17.85	17.60

Jakarta
Composite index: 718.19 Previous: 711.44

	High	Low	Close	Prev.
Astra Intl	8175	8100	8125	8050
Bk Intl Indon	1850	1825	1825	1800
Bk Negara	1475	1425	1425	1475
Gudang Garam	9375	9300	9375	9275
Indocement	4425	4275	4300	4300
Indofood	5600	5450	5450	5350
Indosat	7575	7425	7550	7400
Sampoerna HM	9375	9200	9225	9200
Semen Gresik	5025	4900	5025	4825
Telekomunikasi	4000	3925	4000	3875

Johannesburg
All Market: 7446.95 Previous: 7438.18

	High	Low	Close	Prev.
Amalgamatd Bks	33.60	33.20	33	33
AngloAm Coal	261	258	259	259
AngloAm Corp	261.75	260	260	260
AngloAm Gold	250	248	251.50	251.50
AngloAm Ind	197	196	196	196
AVMIN	14.25	14.20	14.50	14.50
Barlow	55.25	54.75	55	55
C.G. Smith	25.70	25.40	25.40	25.40
De Beers	164.50	163	164.50	164.50
Driefontein	32	31.75	32.50	32.50
Fst Natl Bk	39.15	39.05	39.05	39.05
Gencor	19.25	18.90	19.20	19.20
GFSA	93	92	94	94
Imperial Hdgs	62.50	62.25	62	62
Ingwe Coal	24.40	23.90	23.50	23.50
Iscor	3.10	3.07	3.07	3.07
Johnnies Indl	65.50	65	65.25	65.25
Liberty Hdgs	388	387	387	387
Liberty Life	146.75	145	146.50	146.50
LibLife Strat	17.85	17.70	17.70	17.70
Minorco	97.25	96.25	96	96
Nampak	18.50	18.05	18.35	18.35
Nedcor	100.75	100.25	100.25	100.25
Rembrandt Gp	45.85	45.55	45.50	45.50
Richemont	71.25	70.75	70.50	70.50
Rust Platinum	75.25	75	75.25	75.25
SA Breweries	141	140	140.25	140.25
Samancor	43	43	43	43
Sasol	59.50	59	59	59
SBIC	220	218.50	220	220
Tiger Oats	80	77.50	77.50	77.50

Kuala Lumpur
Composite: 1034.07 Previous: 1018.81

	High	Low	Close	Prev.
AMMB Hdgs	14.80	14.40	14.70	14.80
Genting	12	11.80	11.80	11.90
Mal Banking	26	25.50	25.75	25.75
Mal Intl Ship F	N.T.	N.T.	N.T.	6.70
Petronas Gas	9.25	8.85	9.35	8.90
Proton	11.10	11	11	11
Public Bk	3.98	3.94	3.96	3.96
Renong	3.52	3.40	3.48	3.44
Resorts World	8.15	7.90	7.95	8.10
Rothmans PM	27.25	26.75	27	27
Sime Darby	8.56	8.45	8.50	8.45
Telekom Mal	11	10.70	10.90	10.70
Tenaga	10.80	10.40	10.80	10.30
Utd Engineers	19.20	18.60	19	18.50
YTL	8.30	8.10	8.10	8.30

London
FT-SE 100: 4874.50 Previous: 4846.70

	High	Low	Close	Prev.
Abbey Natl	8.49	8.19	8.39	8.38
Allied Domecq	4.64	4.50	4.56	4.50
Anglian Water	8.05	7.80	8.03	7.90
Argos	6.47	6.40	6.43	6.42
Asda Group	1.50	1.46	1.46	1.46
Assoc Br Foods	5.74	5.45	5.74	5.58
BAA	6.08	5.97	6.03	5.93
Barclays	13.13	12.67	12.77	12.80
Bass	8.47	8.28	8.39	8.24
BAT Ind	5.45	5.26	5.32	5.32
Bank Scotland	4.47	4.32	4.40	4.30
Blue Circle	4.28	4.17	4.17	4.19
BOC Group	11.64	10.72	11.28	10.70
Boots	8.29	8.14	8.26	8.20
BPB Ind	3.13	3.07	3.12	3.08
Brit Aerosp	13.35	13.13	13.24	13.10
Brit Airways	6.46	6.10	6.37	6.38
BG	2.49	2.41	2.41	2.50
Brit Land	6.24	6.09	6.11	6.10
Brit Petm	8.32	8.11	8.24	8.09
BSkyB	4.41	4.28	4.33	4.30
Brit Steel	1.59	1.55	1.55	1.56
Brit Telecom	4.34	4.24	4.29	4.22
BTR	1.98	1.94	1.95	1.95
Burmah Castrol	10.45	10.30	10.35	10.28
Burton Gp	1.37	1.33	1.35	1.31
Cable Wireless	6.22	6.08	6.08	6.11
Cadbury Schw	5.92	5.38	5.84	5.83
Carlton Comm	4.91	4.73	4.84	4.74
Coml Union	6.87	6.63	6.72	6.76
Compass Gp	6.17	6.11	6.16	6.13
Courtaulds	3.05	2.89	2.99	2.99
Dixons	5.56	5.45	5.55	5.45
Electrocomponents	4.38	4.34	4.35	4.35
Energy Group	6.53	6.47	6.50	6.48
Enterprise Oil	6.92	6.87	6.91	6.86
Forn Colonial	1.71	1.69	1.69	1.69
Genl Accident	9.02	8.85	8.99	8.88
GEC	3.78	3.60	3.66	3.60
GKN	10.07	9.93	10.03	9.88
Glaxo Wellcome	13.77	13.41	13.54	13.25
Granada Gp	7.77	7.65	7.73	7.64
Grand Met	6.32	6.13	6.13	6.30
GRE	3.03	2.95	2.99	2.90
Greenalls Gp	4.60	4.53	4.56	4.59
Guinness	6.07	5.88	5.99	5.98
GUS	6.62	6	6.05	6.10
Hays	5.84	5.77	5.77	5.78
HSBC Hldgs	20.42	20.16	20.23	19.94
ICI	9.44	9.23	9.23	9.22
Impl Tobacco	3.77	3.70	3.70	3.73
Kingfisher	7.28	7.17	7.17	7.12
Ladbroke	2.63	2.53	2.60	2.58
Land Sec	9.57	9.33	9.40	9.32
Lasmo	2.70	2.64	2.67	2.63
Legal Genl Grp	4.33	4.22	4.25	4.20
Lloyds TSB Gp	6.94	6.56	6.82	6.71
LucasVarity	1.90	1.84	1.88	1.84
Marks Spencer	5.98	5.85	5.90	5.84
MEPC	4.99	4.93	4.96	4.92
Mercury Asset	12.85	12.50	12.77	12.48
National Grid	2.66	2.57	2.61	2.56
Natl Power	5.78	5.62	5.67	5.61
NatWest	8.73	8.58	8.67	8.65
Next	7.57	7.30	7.32	7.55
Norwich Union	3.31	3.14	3.26	3.14
Orange	2.12	2.08	2.11	2.08
P&O	6.40	6.26	6.28	6.22
Pearson	6.82	6.70	6.70	6.70
Pilkington	1.36	1.30	1.31	1.30
PowerGen	7.95	7.79	7.79	7.86
Premier Farnell	5.02	4.76	5.02	4.85
Prudential	5.88	5.72	5.80	5.73
Railtrack Gp	7.99	7.87	7.88	7.75
Rank Group	3.55	3.41	3.45	3.46
Reckitt Colm	9.62	8.59	9.55	9.55
Redland	2.99	2.94	2.96	2.98
Reed Intl	6.39	6.21	6.33	6.13
Rentokil Initial	2.16	2.08	2.13	2.10
Reuters Hldgs	6.24	5.91	5.97	6.08
Rexam	2.44	2.38	2.40	2.38
RMC Group	9.83	9.58	9.58	9.70
Rolls Royce	2.27	2.22	2.24	2.21
Royal Bk Scot	6.58	6.49	6.51	6.45
RTZ reg	10.15	9.98	10.01	10.03
Royal & Sun All	5.13	4.84	5.03	4.76
Safeway	4.04	3.95	3.98	3.95
Sainsbury	4.40	4.27	4.32	4.30
Schroders	18.20	17.82	17.95	17.74
Scot Newcastle	7.42	7.28	7.29	7.27
Scot Power	4.56	4.01	4.47	4.47
Securicor	2.55	2.50	2.52	2.47
Severn Trent	9.05	8.86	8.97	8.72
Shell Transp R	4.44	4.27	4.40	4.27
Siebe	10.07	9.94	10.03	9.85
Smith Nephew	1.77	1.74	1.76	1.76
SmithKline	12.77	12.08	12.37	12.15
Smiths Ind	7.62	7.48	7.55	7.40
Sthern Elec	4.64	4.58	4.58	4.62
Stagecoach	7.27	7.02	7.25	7.26
Stand Charter	10.22	9.77	10.05	9.82
Tate & Lyle	4.36	4.28	4.29	4.28
Tesco	4.31	4.25	4.28	4.21
Thames Water	8.12	8	8.07	8.02
3i Group	4.91	4.86	4.88	4.85
TI Group	5.19	5.11	5.13	5.06
Tomkins	3.08	3.02	3.03	3.05
Unilever	17.39	17.10	17.34	17.06
Utd Assurance	4.27	4.23	4.23	4.24
Utd News	7.08	6.89	6.98	6.82
Utd Utilities	7.15	6.98	7.09	7.03
Vendome Lx uts	4.53	4.48	4.53	4.46
Vodafone	2.99	2.95	2.96	2.97
Whitbread	8.51	8.37	8.40	8.35
Williams Hdgs	3.31	3.29	3.30	3.30
Wolseley	4.53	4.43	4.50	4.38
WPP Group	2.49	2.43	2.45	2.43
Zeneca	21.15	20.50	20.73	20.83

Madrid
Bolsa index: 612.76 Previous: 613.16

	High	Low	Close	Prev.
Acerinox	28450	27600	28000	27100
ACESA	1845	1780	1795	1825
Aguas Barcelon	6130	5960	6080	6080
Argentaria	8950	8750	8840	8650
BBV	13190	12700	12810	12810
Banesto	1510	1480	1500	1470
Bankinter	26990	25000	25500	25500
Bco Centro Hisp	6420	6300	6320	6200
Bco Popular	36710	35040	35250	35750
Bco Santander	4690	4385	4460	4570
CEPSA	4940	4855	4890	4825
Continente	3790	3710	3765	3650
Corp Mapfre	8910	8510	8760	8700
Endesa	12650	12450	12480	12210
FECSA	1360	1300	1320	1325
Gas Natural	31900	30010	30370	30370
Iberdrola	1790	1705	1725	1750
Pryca	3370	3155	3180	3245
Repsol	6530	6300	6370	6400
Sevillana Elec	1510	1465	1475	1485
Tabacalera	8250	8010	8140	7970
Telefonica	4325	4175	4210	4205
Union Fenosa	1265	1220	1230	1245
Valenc Cement	2575	2530	2545	2545

Manila
PSE index: 2636.37 Previous: 2654.73

	High	Low	Close	Prev.
Ayala B	18	18	18	18.25
Ayala Land	23.25	22.75	23	22.75
Bk Philip Isl	158	155	158	155
C&P Homes	9.10	8.80	8.80	9
Manila Elec A	84	81.50	82.50	84
Metro Bank	560	555	560	560
Petron	6.50	6.20	6.40	6.10
PCI Bank	235	229	229	230
Phil Long Dist	945	915	920	950
San Miguel B	60	57	59.50	59.50
SM Prime Hdg	7.40	7.20	7.40	7.30

Mexico
Bolsa index: 4780.42 Previous: 4652.19

	High	Low	Close	Prev.
Alfa A	56.30	54.90	56.20	55.00
Banacci B	21.75	21.00	21.45	20.65
Cemex CPO	39.70	38.80	39.35	39.00
Cifra C	13.20	13.04	13.16	13.08
Emp Moderna	47.00	45.90	45.95	47.00
Gpo Carso A1	56.00	54.60	56.00	54.50
Gpo F Bcomer	2.55	2.49	2.55	2.49
Gpo Fin Inbursa	35.30	34.85	35.30	34.80
Kimb Clark Mex	32.95	32.60	32.70	33.00
Televisa CPO	118.60	109.40	118.40	108.20
TelMex L	19.90	19.64	19.76	19.66

Milan
MIB Telematico: 15163.00 Previous: 14928.00

	High	Low	Close	Prev.
Alleanza Assic	16500	16205	16205	15930
Bca Comm Ital	4575	4465	4490	4450
Bca Fideuram	6665	6160	6280	6100
Bca di Roma	1498	1480	1485	1461
Benetton	29900	28700	28700	28900
Credito Italiano	3710	3590	3615	3620
Edison	9345	9080	9155	8850
ENI	10750	10550	10570	10425
Fiat	6680	6330	6330	6385
Generali Assic	39200	37500	38300	37100
IMI	18490	17000	17800	16760
INA	2815	2720	2720	2720
Italgas	6105	5860	5860	5935
Mediaset	8595	8300	8405	8170
Mediobanca	13150	12670	12805	12700
Montedison	1280	1231	1231	1242
Olivetti	490	460	461	461
Parmalat	2720	2590	2650	2535
Pirelli	5190	5065	5080	5000
RAS	16100	15750	15750	15665
Rolo Banca	23750	22150	22150	23050
S Paolo Torino	15180	14750	14750	14565
Stet	11880	10700	10710	10710
TIM	6310	6140	6190	5955

Montreal
Industrials index: 3601.48 Previous: 3580.85

	High	Low	Close	Prev.
Bce Mob Com	49	48	49	48½
Cdn Tire A	27½	27.05	27.20	27.10
Cdn Util A	39.45	39.35	39.35	39½
CT Finl Svc	42½	41.60	42	41¾
Gaz Metro	19.85	18¾	18.80	18.80
Gt-West Lifeco	32½	32	32¼	32½
Imasco	42.85	42¼	42¼	42.70
Investors Grp	32½	32.35	32.35	32
Loblaw Cos	20.55	20.45	20.55	20.30
Natl Bk Canada	18.30	18.05	18.05	18.20
Power Corp	37¼	37¼	37.55	37½
Power Finl	34½	34.20	34½	34.15
Quebecor B	27.70	27.60	27.60	27.60
Rogers Comm B	9.90	9.60	9.90	9.90
Royal Bk Cda	68.40	67.80	68	67.95

Oslo
OBX index: 690.45 Previous: 676.11

	High	Low	Close	Prev.
Aker A	154	149.50	149.50	150
Bergesen Dy A	195	191.50	193	189.50
Christiania Bk	26.80	26.40	26.40	26.30
Den norske Bk	30.60	30.40	30.60	30.40
Elkem	151	147	147	148
Hafslund A	46.10	46	46	47
Kvaerner Asa	439	437	438	436
Norsk Hydro	404	395	401	390
Norske Skog A	294	290	290	286.50
Nycomed A	144.50	138	142	136.50
Orkla Asa A	552	547	549	545
Petm GeoSvc	420	378	406	370
Saga Petm A	147	143	146.50	143
Schibsted	146	144	144	140
Transocean Off	595	590	590	605
Storebrand Asa	49.40	48.40	49.20	48.40

Paris
CAC-40: 3003.53 Previous: 2921.13

	High	Low	Close	Prev.
Accor	956	930	937	924
AGF	206.50	202.60	205	200.80
Air Liquide	970	939	964	953
Alcatel Alsth	786	764	779	748
AXA-UAP	405	394.50	396.80	390.50
Bancaire	759	723	748	715
BIC	1000	985	999	980
BNP	282	255.20	274.90	249.60
Canal Plus	1137	1111	1137	1103
Carrefour	4329	4215	4250	4185
Casino	288	275.20	277	283.70
CCF	300	265	282	261.50
Cetelem	710	687	690	685
Christian Dior	1030	1006	1028	997
CLF-Dexia Fran	589	562	582	577
Credit Agricole	1297	1297	1297	1260.10
Danone	970	956	965	951
Elf-Aquitaine	688	673	678	663
Eridania BS	900	880	888	878
Eurodisney	8.70	8.50	8.50	8.45
Eurotunnel	6.95	6.60	6.75	6.70
Gen. Eaux	744	721	725	725
Havas	411.50	400	400.10	401.50
Imetal	819	805	812	806
Lafarge	415	406.50	408.20	398
Legrand	1249	1225	1236	1197
L'Oreal	2571	2523	2547	2485
LVMH	1635	1605	1626	1559
Suez Lyon Eaux	708	690	704	681
Michelin B	379	366.10	366.50	366.10
Paribas A	435.80	407.10	430.70	402.40
Pernod Ricard	311.70	305.50	311.30	307.60
Peugeot Cit	624	604	616	589
Pinault-Print	2900	2770	2840	2835
Promodes	2620	2570	2603	2514
Renault	187.80	166	179	164.80
Rexel	1729	1684	1684	1697
Rh-Poulenc A	254.90	246	251.90	244.90
Sanofi	575	554	559	551
Schneider	345	339.10	343	336.20
SEB	1078	1048	1073	1039
SGS Thomson	538	523	526	514
Ste Generale	810	752	783	738
Sodexho	3160	3070	3115	3149
St Gobain	869	852	863	834
Suez	17.30	16.85	17.30	16.65
Synthelabo	784	756	772	767
Thomson CSF	172.20	164.10	166.50	167.70
Total B	615	593	611	586
Usinor	122	117.50	120.50	116.80
Valeo	419	397	401	400

São Paulo
Bovespa index: 12291.30 Previous: 12225.38

	High	Low	Close	Prev.
Bradesco Pfd	11.25	10.80	11.10	10.80
Brahma Pfd	830.00	820.00	825.00	829.99
Cemig Pfd	61.00	55.00	58.590	56.50
CESP Pfd	75.00	68.00	72.50	71.99
Copel	20.00	19.00	20.00	20.00
Eletrobras	590.00	530.00	565.00	556.00
Itaubanco Pfd	650.00	600.00	620.00	610.00
Light Servicios	550.00	540.00	548.00	540.00
Lightpar	470.00	447.00	455.00	435.00
Petrobras Pfd	320.00	295.00	312.00	306.99
Paulista Luz	204.00	197.00	199.01	196.00
Sid Nacional	36.30	35.30	35.30	35.30
Souza Cruz	10.03	9.80	10.02	9.80
Telebras Pfd	161.50	146.00	156.00	154.50
Telemig	188.00	178.00	178.00	180.00
Telerj	158.50	150.00	156.00	156.00
Telesp Pfd	368.00	348.00	362.00	346.99
Unibanco	41.50	41.00	41.50	40.50
Usiminas Pfd	12.95	12.00	12.60	12.54
CVRD Pfd	29.50	27.50	28.60	28.60

Seoul
Composite index: 730.58 Previous: 725.98

	High	Low	Close	Prev.
Dacom	100500	98000	98000	100000
Daewoo Heavy	7650	7450	7550	7500
Hyundai Eng.	21400	20900	21000	21000
Kia Motors	12100	11300	12100	12100
Korea El Pwr	27200	26600	27200	26900
Korea Exch Bk	5150	4990	5060	5060
SK TELECOM	500000	492000	499000	498000
LG Semicon	38300	37500	37900	38100
Pohang Iron St	64400	63800	64200	64100
Samsung Display	47000	46200	46800	46100
Samsung Elec	70000	68500	68500	69000
Shinhan Bank	10000	9400	10000	9350

Singapore
Straits Times: 1974.69 Previous: 1958.51

	High	Low	Close	Prev.
Asia Pac Brew	5.85	5.85	5.85	5.85
Cerebos Pac	5.85	5.65	5.80	5.55
City Devts	14.20	13.90	14	13.80
Cycle Carriage	12.90	12.60	12.70	12.70
Dairy Farm Intl *	0.81	0.81	0.81	0.80
DBS foreign	20.60	19.80	20.50	19.70
DBS Land	4.78	4.70	4.74	4.68
Fraser & Neave	10.50	10.20	10.50	10.30
HK Land *	2.57	2.50	2.52	2.53
Jard Matheson *	6.90	6.65	6.80	6.95
Jard Strategic *	3.58	3.56	3.56	3.54
Keppel	6.70	6.50	6.60	6.65
Keppel Bank	3.76	3.62	3.72	3.60
Keppel Fels	4.92	4.86	4.92	4.94
Keppel Land	4.52	4.38	4.42	4.32
OCBC foreign	15.80	15.30	15.60	15.20
OS Union Bk F	9.85	9.65	9.85	9.60
Parkway Hdgs	6.75	6.60	6.70	6.65
Sembawang	7.15	7	7.15	6.95
Sing Air foreign	13.80	13.50	13.80	13.50
Sing Land	7.55	7.20	7.50	7.25
Sing Press F	28.10	27.70	27.70	27.60
Sing Tech Ind	3.80	3.76	3.78	3.76
Sing Telecomm	2.74	2.68	2.72	2.74
Tat Lee Bank	2.88	2.87	2.88	2.88
Utd Industrial	1.15	1.11	1.15	1.13
Utd O'Sea Bk F	16.40	15.90	16.40	15.80
Wing Tai Hdgs	4.20	4.16	4.16	4.16

*: in U.S. dollars.

Stockholm
SX 16 index: 3525.82 Previous: 3483.29

	High	Low	Close	Prev.
AGA B	111	106.50	109	107
ABB A	111.50	109.50	110.50	109
AssiDoman	240	230	230.50	236
Astra A	156.50	153	153.50	151.50
Atlas Copco A	249	238.50	239	243.50
Autoliv	296	292.50	293	292
Electrolux B	635	620	628	625
Ericsson B	336	327.50	329	330
Hennes B	359.50	341	344	345.50
Incentive A	680	675	675	677
Investor B	428	420	427	417
MoDo B	281	273	273	269.50
Nordbanken	272	264	271.50	264.50
Pharm/Upjohn	295	291.50	293	291.50
Sandvik B	268	259	263	257
Scania B	245	231	232	235
SCA B	180	173	175	170
S-E Banken A	93.50	92	93	91
Skandia Fors	334.50	321	334	317
Skanska B	352	344	344	346
SKF B	242	231	232	230
Sparbanken A	181.50	177	177.50	178
Stora A	135	132	132.50	132.50
Sv Handles A	264	254	264	253.50
Volvo B	223.50	215.50	219	213

Sydney
All Ordinaries: 2683.40 Previous: 2656.40

	High	Low	Close	Prev.
Amcor	8.61	8.50	8.55	8.47
ANZ BkING	10.39	10.17	10.36	10.08
BHP	18.35	17.95	17.98	17.94
Boral	4.14	4.08	4.11	4.01
Brambles Ind.	27.15	26.70	27.03	26.45
CBA	17	16.47	16.92	16.42
CC Amatil	16.68	16.20	16.28	16.12
Coles Myer	6.66	6.52	6.53	6.51
Comalco	6.91	6.80	6.80	6.85
CSR	5.15	5.09	5.15	5.02
Fosters Brew	2.61	2.59	2.60	2.58
Goodman Fld	1.90	1.86	1.86	1.88
ICI Australia	12.83	12.71	12.83	12.69
Lend Lease	28.80	27.90	28.60	27.69
MIM Hdgs	1.78	1.75	1.77	1.74
Nat Aust Bank	19.70	19.42	19.50	19.30
Nat Mutual Hdg	2.20	2.15	2.19	2.14
News Corp	6.18	6.08	6.11	6.11
Pacific Dunlop	3.65	3.57	3.64	3.57
Pioneer Intl	5.03	4.98	5	4.95
Pub Broadcast	8.04	7.86	7.99	7.84
Rio Tinto	21.49	21.10	21.12	21.22
St George Bank	8.63	8.50	8.60	8.44
WMC	7.90	7.65	7.65	7.79
Westpac Bking	8.20	7.99	8.16	7.98
Woodside Pet	11.20	11.15	11.17	11.08
Woolworths	4.24	4.17	4.21	4.14

Taipei
Stock Market index: 9381.86 Previous: 9558.40

	High	Low	Close	Prev.
Cathay Life Ins	154	146.50	148	151
Chang Hwa Bk	129.50	118.50	119.50	127
Chiao Tung Bk	81	76.50	76.50	80
China Developmt	141.50	127	130	176
China Steel	31.40	30.60	31.40	30.90
First Bank	132	121	121	130
Formosa Plastic	68.50	65	65	67.50
Hua Nan Bk	134.50	124.50	124.50	132.50
Intl Comm Bk	71	66	66.50	70.50
Nan Ya Plastics	74.50	71.50	71.50	73
Shin Kong Life	119.50	110	113	118
Taiwan Semi	142	133	134	139
Tatung	50	48.50	48.80	49.50
Utd Micro Elec	116.50	112	112.50	144
Utd World Chin	67.50	63	64	66.50

Tokyo
Nikkei 225: 20130.51 Previous: 20157.82

	High	Low	Close	Prev.
Ajinomoto	1170	1150	1150	1160
All Nippon Air	755	747	754	748
Amway	3500	3400	3500	3380
Asahi Bank	915	905	910	905
Asahi Chem	600	594	598	590
Asahi Glass	1060	1040	1060	1040
Bk Tokyo Mitsu	2280	2250	2250	2270
Bk Yokohama	612	607	608	616
Bridgestone	2790	2730	2770	2770
Canon	3400	3340	3380	3350
Chubu Elec	2060	2020	2020	2040
Chugoku Elec	2000	1980	1980	2000
Dai Nipp Print	2620	2600	2620	2600
Daiei	870	820	862	816
Dai-Ichi Kang	1520	1480	1490	1510
Daiwa Bank	615	595	595	609
Daiwa House	1370	1340	1370	1340
Daiwa Sec	875	860	862	866
DDI	8300a	8180a	8240a	8230a
Denso	2870	2800	2820	2830
East Japan Ry	5600a	5440a	5440a	5580a
Eisai	2630	2600	2620	2620
Fanuc	4700	4620	4670	4630
Fuji Bank	1660	1620	1630	1640
Fuji Photo	4740	4620	4650	4690
Fujitsu	1690	1660	1670	1660
Hachijuni Bk	1130	1120	1130	1130
Hitachi	1300	1270	1290	1280
Honda Motor	3550	3470	3510	3470
IBJ	1730	1680	1680	1720
IHI	435	428	434	434
Itochu	575	571	571	572
Ito-Yokado	6950	6880	6900	6920
JAL	533	526	528	516
Japan Tobacco	8850a	8750a	8830a	8750a
Jusco	3540	3470	3540	3440
Kajima	620	606	620	607
Kansai Elec	2220	2170	2200	2210
Kao	1650	1630	1630	1650
Kawasaki Hvy	535	511	521	525
Kawa Steel	345	331	335	345
Kinki Nipp Ry	678	666	670	677
Kirin Brewery	1140	1110	1110	1140
Kobe Steel	200	197	198	199
Komatsu	830	799	804	829
Kubota	515	501	503	509
Kyocera	9420	9250	9290	9280
Kyushu Elec	1990	1970	1970	2000
LTCB	536	523	523	530
Marubeni	509	504	507	504
Marui	2050	2000	2010	2050
Matsu Comm	4760	4420	4530	4710
Matsu Elec Ind	2390	2340	2360	2370
Matsu Elec Wk	1420	1390	1410	1380
Mitsubishi	1320	1290	1300	1280
Mitsubishi Ch	345	329	331	336
Mitsubishi El	674	665	670	669
Mitsubishi Est	1710	1670	1700	1650
Mitsubishi Hvy	848	839	843	834
Mitsubishi Mat	795	783	794	790
Mitsubishi Tr	1810	1780	1780	1780
Mitsui	1090	1070	1080	1090
Mitsui Fudosn	1540	1510	1530	1510
Mitsui Trust	800	[illegible]	789	794
Murata Mfg	4760	4710	4710	4700
NEC	1660	1630	1630	1640
Nikon	1990	1930	1950	1970
Nikko Sec	702	690	700	700
Nintendo	10800	10600	10800	10500
Nipp Express	835	825	835	824
Nippon Oil	555	537	543	547
Nippon Steel	343	332	335	340
Nissan Motor	815	790	800	815
NKK	222	218	221	219
Nomura Sec	1530	1490	1530	1490
NTT	1150b	1130b	1140b	1140b
NTT Data	5000b	4920b	4950b	4940b
Oji Paper	631	628	631	624
Osaka Gas	301	297	297	300
Ricoh	1610	1580	1590	1590
Rohm	12800	12600	12600	12700
Sakura Bk	849	807	824	851
Sankyo	4430	4330	4360	4300
Sanwa Bank	1700	1660	1660	1660
Sanyo Elec	518	503	512	518
Secom	8860	8640	8860	8630
Seibu Rwy	5660	5630	5640	5690
Sekisui Chem	1040	1000	1000	1030
Sekisui House	1190	1170	1180	1160
Seven-Eleven	9100	8940	9090	9000
Sharp	1490	1470	1490	1480
Shikoku El Pwr	1940	1870	1900	1940
Shimizu	640	632	632	640
Shin-etsu Ch	3370	3320	3350	3320
Shiseido	1840	1810	1810	1820
Shizuoka Bk	1260	1240	1250	1240
Softbank	7050	7000	7050	7000
Sony	10900	10600	10700	10700
Sumitomo	1110	1020	1080	1110
Sumitomo Bk	1890	1870	1880	1880
Sumit Chem	499	494	497	492
Sumitomo Elec	1950	1930	1940	1950
Sumit Metal	295	289	291	289
Sumit Trust	1220	1190	1200	1210
Taisho Pharm	3360	3310	3340	3280
Takeda Chem	3470	3410	3430	3400
TDK	9240	9030	9030	9100
Tohoku El Pwr	1970	1950	1950	1960
Tokai Bank	1140	1130	1130	1130
Tokio Marine	1460	1440	1450	1440
Tokyo El Pwr	2260	2220	2220	2250
Tokyo Electron	7020	6750	6840	6820
Tokyo Gas	297	294	295	298
Tokyu Corp.	679	665	674	670
Tonen	1300	1260	1290	1280
Toppan Print	1910	1870	1910	1860
Toray Ind	788	776	784	780
Toshiba	738	725	733	743
Tostem	2810	2770	2790	2770
Toyo Trust	935	920	923	925
Toyota Motor	3500	3430	3470	3460
Yamanouchi	3160	3110	3130	3110

a: x 100; b: x 1,000

Toronto
TSE Industrials: 6756.59 Previous: 6714.25

	High	Low	Close	Prev.
Abitibi Cons.	28	27.40	27.85	27.35
Alberta Energy	31.35	31	31.35	31.05
Alcan Alum	49.80	48.90	49.60	48.55
Anderson Expl	17	16.80	16.90	16.95
Bk Montreal	57.85	57.40	57.55	57.30
Bk Nova Scotia	64.90	64¼	64.55	64¼
Barrick Gold	30.65	30.10	30.15	30.70
BCE	42.85	42.10	42.15	41.90
BC Telecomm	35	34	34.90	34¼
Biochem Pharm	38	38	38	35.55
Bombardier B	32.55	31.95	32	32.30
Brascan A	35.70	35¼	35½	35
Cameco	51½	50	51¼	50¼
CIBC	41¼	40.20	40.30	40.65
Cdn Natl Rail	68	66.80	67	67.35
Cdn Nat Res	34¼	34.45	34.45	34.65
Cdn Occid Pet	35.95	35½	35.55	36
Cda Pacific	41¼	40.30	41.60	39.90
Cominco	39½	39	39½	38.20
Dofasco	31	30	30.60	29.90
Domtar	12.85	12.65	12.65	12.65
Donohue A	31¼	31	31½	31.10
Du Pont Cda A	31	30¼	31	30¾
Edper Group	23.80	23.60	23.80	23.60
EuroNev Mng	42.45	41¾	41.80	42.70
Fairfax Finl	398	396	396	398
Falconbridge	27.90	27.60	27.80	27½
Fletcher Chall A	23¼	23¼	23¼	23.20
Franco Nevada	62.80	62	62¾	62.35
Gulf Cda Res	11.40	10.80	11.10	11.40
Imperial Oil	69.20	68¼	69.20	67¾
Inco	41.10	40.70	40.90	40.60
IPL Energy	50.20	50.05	50.15	50.20
Laidlaw B	21.45	21.20	21.20	21.40
Loewen Group	49.20	48.80	49	48.45
Macmill Bloed	19.60	19.30	19.40	19.35
Magna Intl A	90.95	89¾	90.55	89.40
Methanex	12.95	12¼	12.80	12.85
Moore	28.65	28¼	28.35	28.60
Newbridge Net	70.85	69.55	70	69.40
Noranda Inc	29	28.35	28.60	28.45
Norcen Energy	32.10	31¾	32.05	32
Nthern Telecom	138.65	137.20	138¼	135
Nova	12.10	11.95	12	11.95
Onex	32¼	31½	32	32¼
Pancdn Petlm	27¼	27	27.05	27.55
Petro Cda	23.85	23½	23.85	23.10
Placer Dome	22½	22.05	[illegible]	22½
Poco Petlm	12.90	[illegible]	12.55	12¾
Potash Sask	105¼	104	104¼	105.45
Renaissance	35½	34.90	35.30	35
Rio Algom	33½	33	33.35	33.30
Rogers Cantel B	25.45	[illegible]	25.45	25.65
Seagram Co	54.10	53.55	53¾	53½
Shell Cda A	21¼	20.55	21.20	20.60
Suncor	37½	36½	37½	36.55
Talisman Eny	41.85	41.30	41½	41.70
Teck B	28.70	28	28.40	28
Teleglobe	50.70	50	50.60	50.70
Telus	26½	25.85	26.10	25.90
Thomson	36	34½	34½	34.90
TorDom Bank	45	44.55	44.85	44.40
Transalta	16.95	16.65	16¾	16.65
TransCda Pipe	28.15	28	28	28
Trimark Finl	71	69½	70½	68½
Trizec Hahn	30.40	30.10	30.30	30
TVX Gold	6.35	6¼	6.30	6.45
Westcoast Eny	27.10	27	27.10	27.05
Weston	95	92½	94¼	92½

Vienna
ATX index: 1452.78 Previous: 1408.44

	High	Low	Close	Prev.
Boehler-Uddeh	1060	1043	1054.10	1023.10
Creditanst Pfd	544.50	523	540.10	522.50
EA-Generali	3550	3444.15	3460	3455
EVN	1679	1630	1662	1614
Flughafen Wien	529.75	517.50	526	511
OMV	1741	1670.05	1740	1656
Oest Elektriz	878.50	864	873	860
VA Stahl	633	615	626	609
VA Tech	2686	2600	2681	2565
Wienerberg Bau	2665	2620	2665	2609

Wellington
NZSE-40 index: 2484.97 Previous: 2453.82

	High	Low	Close	Prev.
Air N Zeald B	4.53	4.45	4.51	4.45
Brierly Invt	1.36	1.35	1.36	1.34
Carter Holt ord	3.74	3.68	3.74	3.68
Fletch Ch Bldg	4.45	4.34	4.34	4.42
Fletch Ch Eny	4.91	4.87	4.87	4.90
Fletch Ch Forst	1.99	1.97	1.97	1.96
Fletch Ch Paper	3.39	3.35	3.39	3.37
Lion Nathan	3.85	3.83	3.85	3.80
Telecom NZ	7.53	7.36	7.53	7.28
Wilson Horton	11.75	11.70	11.70	11.70

Zurich
SPI index: 3708.58 Previous: 3606.20

	High	Low	Close	Prev.
ABB B	2320	2258	2270	2270
Adecco B	575	566	571	563
Alusuisse R	1414	1377	1400	1387
Ares-Serono B	2235	2201	2220	2200
Alel R	875	860	875	875
Baer Hdg B	2300	2255	2266	2215
Baloise Hdg R	3525	3460	3525	3400
BK Vision	1239	1205	1230	1190
Ciba Spec Chem	142	138	141	133.50
Clariant R	1050	1033	1050	1005
Crd Suisse Gp R	207	197.50	204.75	192.50
Elektrowatt B	541	539	540	539
Ems-Chemie	6825	6650	6825	6655
ESEC Hdg	4850	4680	4850	4795
Holderbank B	1340	1334	1336	1313
Liechtenst LB B	598	592	598	595
Nestle R	1925	1881	1895	1875
Novartis R	2450	2365	2446	2309
Oerlikn Buehr R	163	159	161	163
Pargesa Hld B	2020	2010	2015	2015
Pharm Vision B	905	889	902	880
Richemont A	2310	2292	2310	2291
Pirelli PC	315	307	314	315
Roche Hdg PC	14790	14425	14515	14330
SBC R	429.50	413.50	421	405.50
Schindler PC	1870	1810	1830	1825
SGS B	3100	3010	3070	3025
SMH B	852	840	846	830
Sulzer R	1175	1155	1165	1154
Swiss Reins R	2150	2117	2128	2095
Swissair R	1890	1848	1881	1828
UBS B	1724	1675	1698	1654
Winterthur R	1455	1398	1450	1381
Zurich Assur R	605	589	600	580

The Trib Index

Prices as of 3.00 P.M. New York time.

Jan. 1, 1992 = 100.	Level	Change	% change	year to date % change
World Index	182.10	+2.52	+1.40	+22.10
Regional Indexes				
Asia/Pacific	132.44	+0.42	+0.32	+7.30
Europe	193.12	+3.73	+1.97	+19.80
N. America	213.94	+2.07	+0.98	+32.14
S. America	174.18	+5.48	+3.25	+52.22
Industrial Indexes				
Capital goods	234.84	+4.13	+1.79	+37.40
Consumer goods	202.04	+2.21	+1.11	+25.16
Energy	199.10	+1.04	+0.53	+16.63
Finance	139.27	+2.18	+1.59	+19.59
Miscellaneous	181.12	+2.62	+1.47	+11.95
Raw Materials	196.41	+3.68	+1.91	+11.99
Service	170.35	+2.75	+1.64	+24.05
Utilities	189.70	+3.43	+2.06	+18.29

The International Herald Tribune World Stock Index © tracks the U.S. dollar values of 280 internationally investable stocks from 25 countries. For more information, a free booklet is available by writing to The Trib Index, 181 Avenue Charles de Gaulle, 92521 Neuilly Cedex, France. *Compiled by Bloomberg News.*

NYSE

Wednesday's 4 P.M. Close

Nationwide prices not reflecting late trades elsewhere.

The Associated Press.

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Continued on Page 16

ASIA/PACIFIC

Investors Flee Cambodia in Aftermath of Coup

By Seth Mydans
New York Times Service

PHNOM PENH — John Mixen, an old Cambodia hand who has seen worse, is sticking it out. His restaurant here, the Wagon Wheel, is still open, although he may have to lay off half of his staff because business is so slow.

"Hun Sen killed us, you know?" he said, referring to the second prime minister whose coup two weeks ago has caused many businesses to shut down and thousands of foreigners to flee the country.

"And then executing people," said Mr. Mixen, an American who is a veteran of the wars in Vietnam and Kuwait. "That just doesn't set too good."

The coup was all too much for Bert Hoak, the passionate proprietor of Bert's Books, who gave his heart to Cambodia five years ago when he came to help monitor elections, then had it broken this month by the coup.

"I came with the naive belief we were going to have an impact, help build a country," Mr. Hoak said as he shuffled about in the musty stacks of his used-book shop. "It was unforgivable to be that naive at that age."

The big guns of the coup had barely fallen silent when Mr. Hoak, who is 46, decided to call it a day. He is selling his books for scrap at 3 cents each, clearing out the 15 tiny guest rooms that are squeezed into the top floor and onto the roof, hugging his friends good-bye and heading home to Buffalo, New York.

"People looked to the foreigners," he said, recalling the energetic mobilization of international aid that helped create a fresh democracy and fresh hopes in this broken country, at a cost of $2 billion.

"We came in with an incredible show of strength: armored personnel carriers, helmets, flak jackets," he said. "And what have we got to show for it? If we learned anything from all that money, it should be that foreigners can't do it for you."

Hun Sen may have won, but he has cost his county dearly in foreign investment, and analysts say it will take a long time for the country to recover.

Mr. Hoak has another reason for leaving, the same reason that has led many much bigger foreign enterprises to pull out their personnel.

"There's the danger factor," he said. "I'm going to be very, very happy to get out of here."

Mr. Hun Sen may have won political power with his coup, but he has cost his country dearly in foreign investment. Economic analysts say it will be a long time before Cambodia resumes its slow entry into the international marketplace.

One result of the normalization brought by the United Nations in 1993 was the tentative entry here of foreign companies, which were largely absent during the murderous years of the Khmer Rouge in the late 1970s and then during a civil war that lasted through the 1980s.

Despite difficulties with corruption, red tape and political uncertainty, foreign investment — most of it from Asia — had begun to grow, from a total of less than $100 million in 1993 to $2 billion last year.

The setback to this gamble on Cambodia was dramatized by the sudden shutdown of the Malaysian-owned Naga floating casino the day after the coup, when its Filipino dealers fled the country.

At the same time, most of the 35 garment factories that had brought in a flood of $33 million in investment in the last year also shut their doors. Garment exports, one of the foundations for a new manufacturing economy, rose to $80 million last year, from just $4 million in 1994.

Caltex Petroleum Corp., believed to be the largest American investor here, announced it would stay in the country but would scale back ambitious plans for expansion.

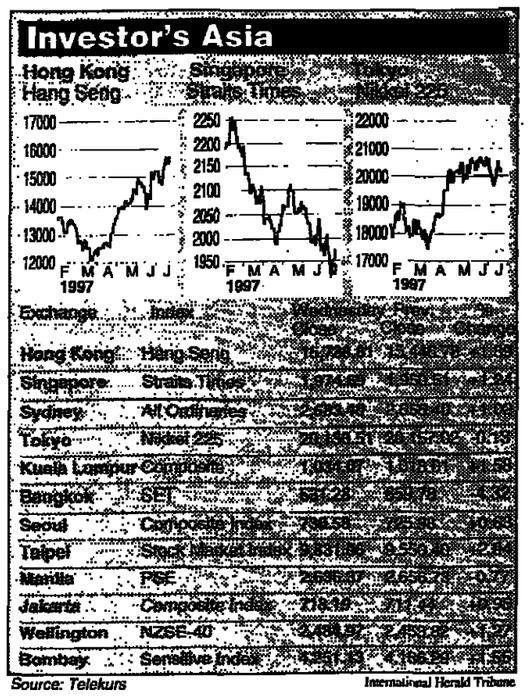
Many of those who are leaving are people like Mr. Hoak who volunteered to help the United Nations prepare for elections and stayed on to make Cambodia a second home.

Bert's Books became a landmark, the only good English-language bookstore in town, where browsers could pull a dusty paperback from the shelves and sit on the roof looking out across the Tonle Sap River at the palm trees and fishing villages on the opposite bank.

Housed in what was once a brothel, the bookstore also became a popular guest house, where a single room with bath and extra-large bed could be had for $6 a night.

Visits to the store came with a lecture from Mr. Hoak, who views tourism as an extension of the quasi-missionary work of his days with the United Nations.

"Spend some money with the little people," reads a hand-written sign on his wall. "Buy a coconut in the countryside, buy some noodles, enjoy a fruit shake, have a meal in the market. If only rich Cambodians and foreign 'investors' profit, tourism will not benefit Cambodia."



Source: Telekurs — International Herald Tribune

The Baht Tumbles To a Low

Compiled by Our Staff From Dispatches

BANGKOK — Traders sent the baht plunging to another record low at one point Wednesday amid what they said was deepening disappointment that the government had no plans to aid the economy's liquidity with overseas loans.

Other Southeast Asian currencies remained subject to wild swings as liquidity dwindled and market participants turned increasingly cautious before an Asian central bankers' meeting Friday in Shanghai. Analysts say the meeting could result in a pact by the countries to support one another's currencies.

Skepticism over the Thai government's economic plans since it floated its currency July 2 was growing, analysts said, as was concern over the Thai financial sector's problems.

The dollar rose to 32.10 baht, its highest level against the baht on record, but closed at 30.80 baht, compared with 30.95 baht Tuesday, a dealer said.

Analysts have said the baht needs to strengthen to around 24 to 25 to the dollar so that Thai interest rates can fall and the economy can pull out of an extended slump.

They say the state needs to arrange a credit line of $10 billion to $20 billion to maintain liquidity as foreign creditors refuse to roll over notes and loans because of high risks of default or of losses from currency movements.

Finance Minister Thanong Bidaya said the state had no liquidity problems and could not legally step in to bail out the private sector. "The government cannot just borrow to re-lend to the private sector," he said. "It is against regulations."

The private sector holds $66 billion of the country's $85 billion in foreign-currency debt.

A local analyst said confidence in the baht also had been shaken by the government's unwillingness to ask Japan directly for a multibillion-dollar credit line under International Monetary Fund guidelines. "People are disappointed in the financial support that has been arranged," he said.

(AFP, Bloomberg, Reuters)

Seoul Pressed on Kia

Groups Urge Action to Save Company

Reuters

SEOUL — The government Wednesday faced mounting pressure on three fronts to keep the struggling Kia Group afloat, but analysts said any reprieve would be temporary.

The ruling New Korea Party accused the government of having a lukewarm attitude toward Kia and called for decisive action, while the militant Korean Confederation of Trade Unions vowed an all-out battle if the authorities failed to act.

Adding to the tension, the credit-rating agency Standard & Poor's Corp. announced it was monitoring five South Korean banks and might have to lower their ratings.

The agency said its action reflected an overall deterioration of asset quality in South Korea, as demonstrated by the Kia crisis, and heightened industry risks.

The five banks, which S&P said had a combined exposure to Kia of 1.7 trillion won ($1.9 billion), were Hanil Bank, Korea Exchange Bank, Korea First Bank, Korea Long-Term Credit Bank and Shinhan Bank.

Finance Minister Kang Kyong Shik was scheduled to brief President Kim Young Sam on Kia's troubles Wednesday, but there was no indication he would propose any intervention.

A bank anti-bankruptcy committee put Kia under protection last week to keep the group from defaulting on debt payments. Kia had an estimated 9.54 trillion won in debts as at the end of May, while its debt-to-shareholder equity ratio was 523.6 percent at the end of last year.

Kia ran into difficulty after a slump in domestic sales by its carmaking flagship Kia Motors Corp. and heavy capital investment by its steelmaking unit Kia Steel.

Speaking on behalf of the New Korea Party, a policy maker said the government's "lukewarm attitude" toward Kia had to change.

"The government should not stand idly by any longer," Kim Zoong Wie, chairman of the policy committee, said at a party meeting. "It has to assume responsibility and make an aggressive effort to solve Kia's problems."

He added the government should act to prevent the credibility of Korean companies and financial institutions from suffering in world markets.

The Korean Confederation of Trade Unions, representing 524,000 workers, vowed an all-out battle against the government "if it doesn't directly come forward with steps to normalize Kia and the automobile industry's operations."

"The government shouldn't sit back and rely on creditor banks to come up with rescue measures," the union said.

The outlawed federation opposes merging Kia with other conglomerates, saying that would do nothing to strengthen the companies' finances.

Kia union members decided to collect 10 million won to help out their group and give up all holidays, the federation said.

But analysts said the government would sooner or later have to recognize that the group had no future.

"It's on a life support system for now, depleting national resources," said Stve Marvin, head of research at Ssangyong Investment Securities. "Unless the government keeps it artificially alive, it has no chance of surviving on its own."

Separately, the Kia Group said it had raised an estimated 350 billion won in the past three days through cash discount sales of 47,766 vehicles.

Yoo Young Gul, president of Kia Motor Sales Corp., said the cash would be used to settle subcontractors' promissory notes and for emergency operations.

Share prices of Kia Motors, the country's third-biggest automaker, closed unchanged at 12,100 won on Wednesday.

Paul Harker/R. more

A worker inspecting engine parts at a Kia Motors plant.

Very briefly:

• *Brunei signed a memorandum of understanding with* **Chinese Petroleum Corp.** of Taiwan and **Kanematsu Corp.** of Japan to build a $1 billion refinery and petrochemical complex. The pact represented Brunei's first step toward developing its petrochemical industry, said Selamat Munap, deputy minister of finance.

• **Taiwan** will restrict foreign investment in the local bourse to avert stock-price speculation by mainland Chinese capital, the Economic Daily News said. Taiwan's Securities and Exchange Commission, central bank and Finance Ministry decided that the authorities would look into the backgrounds of new foreign institutional investors. The move was aimed at stabilizing local financial markets and preventing an influx of Chinese capital into Taiwan's stock market.

• **Cathay Pacific**, the Hong Kong flag carrier, will trim 350 support-services jobs as it prepares to move its operations to a replacement airport due to open in April. The job cuts are due to a restructuring in the company's support services.

• **India's** government was criticized by two main political parties for allowing Jeffrey Sachs, one of the United States' best-known proponents of free trade, to advise it on economic policy. The main opposition party assailed Tuesday's decision by the government to accept advice from the Harvard Institute for International Development as a sell-out.

• **Japan's** expected change in accounting standards to adopt the "mark-to-market" accounting method will sharply affect corporate earnings, according to a study by Daiwa Institute of Research. In mark-to-market accounting, the value of a position is calculated from daily closing prices, immediately reflecting unrealized profits or losses on outstanding positions. In Japan, companies currently appraise their holdings of financial products on the basis of the price at the time of purchase.

• **Akzo Nobel NV** bought the organic-peroxides unit of **Sanken Chemical Corp.** of Japan; the price was not disclosed. Organic peroxides are used as catalysts for high polymers such as polyethylene and acrylics. Annual demand in Japan is estimated at 15,000 to 20,000 tons.

Reuters, AFP, Bloomberg

Changes in Korean Rules Lure Foreign Investors

Bloomberg News

SEOUL — Foreign investors poured a record $4.46 billion into South Korea in the first six months of the year after the government lowered barriers to investment, officials said Wednesday.

Foreign direct investment jumped 250 percent from $1.27 billion a year earlier, the Ministry of Finance and Economy said. Foreign investment in manufacturing grew 25 percent to $1.11 billion.

Officials said that the rise reflects the opening of markets in South Korea and the lowering of nontariff barriers since it joined the Organization for Economic Cooperation and Development in December.

The average value of a single investment project increased to $8.76 million from $6.82 million a year earlier.

The biggest investment was made by One Group Inc. of the United States, a consortium of Korean-Americans, which spent $750 million to build hotel and resort centers on Cheju Island, off South Korea's southern tip.

Foreign direct investment in non-manufacturing ventures rose eight times to $3.35 billion. The government lifted restrictions on retailing in July 1996, allowing foreigners to set up more and bigger retail outlets. One such investor has been Carrefour SA of France, which spent $680 million to set up a discount store chain.

Asians Hail Regional Central Banks' Talks

Reuters

SINGAPORE — A meeting of Asian central bankers in Shanghai on Friday is being hailed by currency dealers as the region's equivalent of the Group of Seven summit meetings in the wake of weeks of currency turmoil.

"This meeting will be like the G-7 equivalent for this region," Chiang Yao Chye, an economist at CIBC Wood Gundy in Singapore, said. "There is the possibility of concerted intervention or a statement that they are willing to join hands to support currencies."

In a still jittery market eager to hold dollars rather than regional currencies, the meeting could be something of a watershed, traders said.

The need for fresh regional cooperation became apparent Tuesday when Malaysia announced that its foreign-exchange reserves fell 12.5 percent in the first two weeks of July. "This was a very nasty figure and just goes to show that in parts of the region there simply isn't the firepower to protect currencies if there is another panic," one Singapore-based trader said.

Regional central banks have helped one another before. As the Thai currency crisis intensified in May, the Monetary Authority of Singapore intervened to shore up the baht.

On Tuesday, Finance Minister Hiroshi Mitsuzuka said Japan would keep in close contact with Indonesia, Malaysia and Thailand to promote stability in the region.

Annual Reports

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NOVELL: *New Chief's Venture*

Continued from Page 11

it is that it's all over the place in so many businesses now," he added. "But for Novell to recover, it has to marshal its resources and focus in laser-beam fashion on networking — and be right."

Mr. Yoffie's summation: "Eric Schmidt has a high-risk venture on his hands."

When Mr. Schmidt moved from Sun Microsystems Inc. to Novell last April, it surprised many people in Silicon Valley on two counts — that he was offered the job, and that he took it.

Mr. Schmidt had been the chief technology officer at Sun, where he championed the development of Java, an increasingly popular Internet programming language. Articulate, informal and irreverent, Mr. Schmidt is known as one of the computer industry's least-boring public speakers.

And yet, Mr. Schmidt did not have the credentials usually sought to manage a big, troubled company. His predecessor, Robert Frankenberg, who was forced to resign last August, was a more conventional manager, but after an initial housecleaning he failed to articulate a new strategy for the drifting company. So the board and the search firm hired by Novell took a different approach.

"The model of getting a seasoned operating guy had already failed," said Alan Seiler, management director of Ramsey/Beirne Associates Inc., the search firm.

Novell "needs a stabilization plan," observed John Young, the board's lead director and former chief executive of Hewlett-Packard Co. "But we also need some inspired insights to figure out where the future opportunity lies. That's why we chose Eric."

For his part, Mr. Schmidt is candid about Novell's current problems. Still, he insists that with Novell sitting on $1 billion in cash, corporate survival is not an issue. And he contends that the company is also in a position to play a central role in developing the software needed to enable computer networks to evolve into trusted pathways of electronic commerce and everyday communication — a broad field that, he says, is "one of the huge 'greenfield' opportunities in business over the next few years."

Tokyo Backs Fuji in Film Trade Dispute

The Associated Press

TOKYO — Japan's fair-trade watchdog said Wednesday it had found no proof that Fuji Photo Film Co. had violated the country's anti-monopoly law as alleged by Fuji's rival Eastman Kodak Co.

The Japan Fair Trade Commission said it had found no evidence that Fuji had required distributors to deal with it exclusively or that its rebate system violated Japan's competition policy.

The findings follow a year-long survey of the country's film industry.

The dispute concerns a U.S. complaint, on behalf of Eastman Kodak, that Japan's laws and regulations discriminate against imported photographic film and paper to benefit Fuji Photo Film.

The U.S. trade representative, Charlene Barshefsky, criticized the report, saying the commission "once again has issued weak and woefully insufficient recommendations" for addressing problems in Japan's photo-film sector.

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(Continued)

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WORLD ROUNDUP

Agassi Loses, Again

TENNIS Justin Gimelstob became the latest player to oust Andre Agassi in a first-round match this year, taking out the seventh seed, 7-5, 6-2, in the Infiniti Open in Los Angeles. Agassi, ranked 32d, has lost in the first round six times in eight tournaments this year.

"I still find I'm getting a lead and not remembering how to win," Agassi said.

Gimelstob played for two years at UCLA before turning pro last June. He won the NCAA doubles title last year. *(AP)*

• The French Open champion, Gustavo Kuerten, crashed out of the Generali Open in Kitzbuehel, Austria, on Wednesday, losing to Hernan Gumy, 6-1, 6-3. *(Reuters)*

Cowboys Settle Lawsuit

Dallas Cowboy players Michael Irvin and Erik Williams have settled their defamation lawsuit against KXAS, a Dallas-Fort Worth television station, and Lin Television Corp., but no details of the settlement were given. The suit stemmed from the reporting of sexual assault allegations made against the two by Nina Shahravan. The police cleared the players, saying the accusations were unfounded. *(AP)*

Bowls' Alliance Expands

FOOTBALL The Sugar, Orange and Fiesta bowls have been named to join the Rose Bowl as part of the Super Alliance in a four-year pact that begins after the 1998 regular season. *(AP)*

Marathoner Is Suspended

TRACK The Spanish athletics federation has suspended Pablo Sierra, a marathon runner, for six months after he made accusations that the world marathon champion, Martin Fiz; his coach, Sabino Padilla; and the Spanish athletics federation president, Jose Maria Odriozola, had colluded in drug taking by many of Spain's top runners. *(Reuters)*

The Price for Ronaldo

SOCCER Inter Milan's president, Massimo Moratti, announced Wednesday that he would be meeting Barcelona officials in Zurich on Tuesday, in a bid to resolve their transfer dispute over Ronaldo, the

Agence France-Presse

The Brazilian striker Ronaldo showing off his new team jersey.

20-year-old Brazilian striker. Football's ruling body, FIFA, cleared the transfer Tuesday, but said Inter must pay more than the $27.6 million penalty clause in Ronaldo's contract. The two clubs have until July 31 to agree, or FIFA will set a fee.

Ronaldo will make his Inter debut Sunday in a friendly match against Manchester United. *(AFP)*

Daly Back on Course After 6-Week Layoff

Troubled Golf Champion Makes Return To Competition at the Hartford Open

By Clifton Brown
New York Times Service

CROMWELL, Connecticut — John Daly hits a golf ball a very long way, but his life has sometimes spun off course.

So as Daly returns to competitive golf this week at the Canon Greater Hartford Open in Connecticut, he is beginning another chapter in a successful but turbulent career. After a six-week layoff that followed his abrupt withdrawal from the U.S. Open, Daly is back, looking trimmer, happier and healthier.

He attends Alcoholics Anonymous meetings regularly, and he plans to attend such meetings in the Hartford area this week. A diet has dropped Daly's weight to 198 pounds (83 kilograms), the lightest he has been since 1991, and as Daly talked easily Tuesday in the clubhouse of the Tournament Players Club at River Highlands, he looked like a man without a care in the world.

He made no promises. But this time, Daly said, he believes he is ready not only to play great golf but also to stay sober.

"I feel good, I feel fresh, I feel ready," said Daly, who teamed with his close friend Fuzzy Zoeller to win Tuesday's skins game and a check for $8,000, which was donated to charity. "I've got a lot of friends out here who drink, but they won't drink in front of me.

"Fuzzy drinks a little bit, but he told me, 'I'll never drink in front of you again.' That's the kind of people I need to be around."

After a six-week stay at the Betty Ford Center for treatment this year, Daly returned to the PGA Tour on May 29 for the Memorial tournament, then played the following week at the Kemper Open. But at the U.S. Open on June 13, Daly walked off the course after the ninth hole of the second round without explanation.

Later, he said he was feeling exhausted and experiencing shaking spells that he attributed to anti-depressant medication.

"I should've never tried to play three weeks in a row when I came back, because I wasn't ready," said Daly, who hates flying so much that he drove more than 18 hours from Memphis for this week's tournament. "You can't play golf with the shakes. It was scary."

Since the U.S. Open, Daly has spent time at a health and nutrition center in Orlando, Florida, and his habits have changed. Previously, he would drink six or seven Diet Cokes during a round of golf; now, Daly has changed his diet, and he feels it will help his health and attitude.

"Now, I'll just drink water on the course," Daly said, "and I haven't had a cheeseburger in six months, which is unbelievable for me."

Daly said he has been sober since March, but it has been a difficult year. His second wife, Paulette, filed for divorce in April.

But on May 27, Daly signed a reported $10 million contract with Callaway Golf, and the company's chairman, Ely Callaway, also paid off Daly's casino gambling debts. Daly did not say how much he owed, but he said Callaway's support had lifted a heavy burden.

"It has been like a miracle," Daly said. "I couldn't have gotten any lower. Callaway's an incredible man. Family comes first with him. A lot of people are judgmental about him helping me, but they don't know what an alcoholic goes through.

"When I quit drinking, I started gambling. It's called cross-addiction. I was going to pay the debts eventually, but he made them go away so I wouldn't have to worry about it."

These days, Daly hopes to focus on golf, and few question his talent.

Daly, one of the game's most charismatic players, became a celebrity by winning the PGA Championship in 1991 in stunning style at age 25, and he won the 1995 British Open at St. Andrews.

Still only 31, Daly believes his best golf could be ahead of him, and he is eager to challenge the under-30 golfers, including the 1997 major winners, Tiger Woods, Ernie Els and Justin Leonard.

"What those guys are doing is great for golf," Daly said. "I'm glad I got two majors when I was in my 20s. I know how special that is."

BUT WHILE enjoying golf, Daly also hopes to enjoy life. Daly, who tried alcohol for the first time when he was 8, said he had learned to avoid certain situations.

"I would love to go to Milwaukee again, but I couldn't handle driving on the interstate up there and smelling the breweries," Daly said.

"I can't go to a bar. I can't be around it. Every time I'm around it, I get a funny feeling. I used to go to the bar to see how I would act. That wasn't very smart. The more I did it, the more I wanted to drink. People in the program say it's a miracle I stayed dry for four years. That shows how much willpower I've got."

Daly has faltered previously in his effort to give up drinking, and he has had several absences from the tour. He was suspended in 1993 after quitting during a round of the Kapalua International. After fighting with a 62-year-old spectator in August 1994, he agreed to sit out the rest of the year.

"It's fun to be out here," Daly said. "It's not fun when someone says, 'Hey, Daly, you played better when you were drinking.' But I am a drunk, and I'll always be one. As long as I don't pick up again, that's not a bad thing to say. At least I admit it.

"Why will this time be different? I don't know. That's why they call it day to day. But I know there are people I can call when I'm having a bad day. I've learned that you cannot do it alone. This is the first thing in my life that I won't try to do alone."

Jean-Paul Pelissier/Reuters

A jubilant Neil Stephens crossing the line Wednesday to win the 218.5-kilometer stage in the Tour de France.

Australian Toils to Top in Tour

By Samuel Abt
International Herald Tribune

COLMAR, France — Neil Stephens, a 33-year-old Australian who has spent his long career as a professional bicycle racer working for others, went into business for himself Wednesday.

The result was a victory for free enterprise and for Stephens. He concluded the 16th stage of the Tour de France with a big smile on his face and a sort of victory dance in the saddle that resembled a man rocking a cradle.

"That was for my wife," he explained. "We had a child four months

TOUR DE FRANCE

ago and since then I've been looking for a victory to dedicate to our daughter."

If Stephens has been practicing a victory gesture, he has had many years to get it down pat. As a *domestique*, or worker, for such leaders as Alex Zulle, Laurent Jalabert and now Richard Virenque, the Australian has rarely had a chance to shine near the finish line in any of his six Tours de France.

But Wednesday, with the 84th Tour decided as it heads for its finale in Paris on Sunday, was the servants' day off. Stephens, who rides for the Festina team and is prominent with his long, blond ponytail, made the most of it during the 218.5-kilometer (136-mile) journey from Fribourg, Switzerland, to Colmar, a picturesque city in Alsace.

"This is the first time I've had any freedom in the Tour," a delighted Stephens said. "Other years, when I was riding for ONCE, I was protecting a leader. With Festina, the team is going so well, they didn't need me today."

That was an allusion to ONCE's habitual collapse in the Tour despite such major riders as Jalabert and Zulle, ranked first and second in the sport. Stephens rode for the team the previous five years. It was also a nod to Festina's power in this race, as shown by Virenque's second place overall.

The Australian broke away alone from a 13-rider lead group with about four kilometers to go and sailed smoothly over wet streets to win by three seconds. That was more than enough time for him to glance back over his left shoulder at his pursuers, zip his jersey, thrust up his arms in victory and then rock the baby, Maialen, or Margaret in the language of his Spanish Basque wife.

In the first major victory of his 14 years as a professional, he was timed in 4 hours 54 minutes 38 seconds, or a swift 44.4 kilometers an hour (27 mph). Second was Oscar Camenzind, the Swiss national champion and a rider for Mapei, and third was Slava Ekimov, a Russian with U.S. Postal Service, both three seconds behind.

Overall, Jan Ullrich, the man in the leader's yellow jersey, enjoyed an unchallenging day. The German, who rides for Telekom, was cheered by thousands of his compatriots in the immense crowds that stood en route in occasional rain and chilly weather.

Ullrich, who comes from what was East Germany, now lives in Merdingen, a village in Germany across the Rhine from Colmar, and all 2,400 of his neighbors there must have turned out to hail him at the arrival. With nearly all the rest of the 143-man field, he finished 3:58 behind the 13 leaders, which made no difference at the top of the overall standings of least elapsed time.

Stephens, for example, started the day in 57th place, 2:18.29 behind Ullrich and advanced to only 55th place. That is roughly his norm in the Tour de France, where his highest placing was 49th last year. As a domestique, he usually spends so much time working for his leader that he finishes a daily stage exhausted and far behind.

Not this day, though. Or at least not this afternoon. But this morning, before the riders set off to the traditional ringing of Swiss cow bells, he reported that he was not feeling well.

Since this was the first stage in a week to offer a chance to nonclimbers, many attacks were expected. Nobody was disappointed.

Attacks started early and kept coming once the initial group was caught.

On the first of three minor climbs, when more than a dozen riders jumped ahead near the summit, Stephens said, "I went after them but it didn't work. When we were caught, I attacked myself." He had to attack again later but finally broke clear with a dozen others — notably, Peter Farazijn of Lotto, Camenzind and Bobby Julich of Cofidis — on the descent from the second climb.

After all the earlier attacks, this was what the riders call the good one — meaning that the pack let it go. One reason was that 13 of the 22 teams in the Tour were represented and they were mainly the big ones. Why chase your own man?

With about eight kilometers to go, Farazijn decided to celebrate Belgium's national day by trying to ride to solo victory. When he was thwarted, Stephens bolted away to the biggest of his 38 victories.

In addition to the glory, his first place added 50,000 French francs ($8,300) to his teammates' treasury, more than Stephens's entire former team, ONCE, has won thus far.

Whiten, on Bail, Joins Yanks

The Associated Press

MILWAUKEE — Mark Whiten rejoined the New York Yankees on Wednesday, freed on $10,000 bond while a Milwaukee prosecutor decides whether to charge him with sexual assault.

Whiten, 30, wasn't in the starting lineup for the game against Anaheim at Yankee Stadium, but New York's manager, Joe Torre, said he wouldn't hesitate to use the outfielder.

"I didn't think today was the right day," he said when asked why Whiten wasn't starting. "He hasn't taken batting practice in a couple of days."

A 31-year-old woman accused Whiten of sexually assaulting her on Saturday in his hotel.

The woman was taken to a mental-health complex for observation after contacting police, the Milwaukee Journal Sentinel reported Wednesday.

The woman's credibility will be the central issue if Whiten is charged, the player's lawyer, Stephen Glynn, said. Police said Whiten contended the sex was consensual. Assistant District Attorney Gale Shelton is expected to decide on possible action this week.

Cuba Bans Baseball Player, Charging He Tried to Defect

The Associated Press

HAVANA — Cuba has permanently banned a player and three coaches from baseball, charging they made several attempts to leave the island to join a professional team in the United States, official media reported.

Three other players were suspended for an indefinite period, but could return "depending upon their future conduct," the National Institute of Sports, Physical Education and Recreation said in a statement published by the Communist Party daily, Granma. The sanctions were adopted by the National Commission of Baseball against players and coaches of the team from the central province of Villa Clara.

Cuban athletes receive government salaries similar to those of average workers.

The player expelled Tuesday, Jorge Luis Toca, was the first baseman for Villa Clara. The sports institute accused him of attempting "to leave the country with the idea of becoming a professional player" and accused a coach, Orlando Chinea, of helping him. It accused the coaches Pedro Jova and Luis Gonzalez of allowing Toca to establish contact with "traitors to Cuban baseball" — an apparent reference to Cuban players who have defected to the United States.

PEDALING FOR GLORY

International Herald Tribune editor Samuel Abt has been writing about bicycle racing for two decades. In his new book, he covers the 1996 pro bicycle racing season — one of the most dramatic in history. From the ice and snow of the early races in March to the sweltering heat at the Summer Olympics, the book follows the races and the racers in what Greg LeMond once described as the toughest job in the world.

Pedaling for Glory (US$14.95) can be ordered through quality bookstores *everywhere or from:*

Motorbooks International, POB 1, Osceola, Wisconsin, USA 54020.

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MAJOR LEAGUE STANDINGS

AMERICAN LEAGUE

EAST DIVISION	W	L	Pct.	GB
Baltimore	60	37	.619	—
New York	57	41	.582	3½
Toronto	46	49	.484	13
Detroit	46	52	.469	14½
Boston	46	53	.465	15
CENTRAL DIVISION				
Cleveland	52	41	.559	—
Chicago	50	48	.510	4½
Milwaukee	45	50	.474	8
Minnesota	45	52	.464	9
Kansas City	38	56	.404	14½
WEST DIVISION				
Seattle	55	44	.556	—
Anaheim	54	44	.551	½
Texas	47	50	.485	7
Oakland	40	61	.396	16

NATIONAL LEAGUE

EAST DIVISION	W	L	Pct.	GB
Atlanta	64	37	.634	—
Florida	56	42	.571	6½
New York	56	43	.566	7
Montreal	52	46	.531	10½
Philadelphia	29	68	.299	33
CENTRAL DIVISION				
Houston	52	48	.520	—
Pittsburgh	49	50	.495	2½
St. Louis	48	51	.485	3½
Cincinnati	43	55	.439	8
Chicago	42	58	.420	10
WEST DIVISION				
San Francisco	56	44	.560	—
Los Angeles	53	47	.530	3
San Diego	48	52	.480	8
Colorado	46	55	.455	10½

TUESDAY'S LINESCORES

Seattle	000 020 000	2	4 1
Cleveland	110 002 11x	6	10 0

Fassero, Hurtado (7), Lira (8) and Da.Wilson; Hershiser, Weathers (6), Assenmacher (8), M. Jackson (8) and Borders. W—Weathers 1-1. L—Fassero 8-6. Sv—M. Jackson (14). HRs—Seattle, R.Davis (14), Cruz Jr (11). Cleveland, Justice (19).

Milwaukee	000 001 100	2	5 1
Toronto	100 000 40x	5	4 1

Eldred, Fetters (7) and Levis; Hentgen, Plesac (8), Escobar (9) and O'Brien. W—Hentgen, 10-7. L—Eldred, 9-10. Sv—Escobar (3). HRs—Milwaukee, Nilsson (13), Mieske (3). Toronto, S. Green (12).

Anaheim	000 000 020	2	5 0
New York	150 020 00x	9	12 0

D.Springer, Grass (5), Sh.Williams (8) and Leyritz; Cone, Lloyd (8) and Girardi. W—Cone, 11-4. L—D. Springer, 5-4. HRs—New York, P.Kelly (2). O'Neill (13).

Oakland	000 030 000	3	9 1
Boston	001 200 01x	4	12 0

Karsay, Mohler (6), D. Johnson (7), Groom (7), A. Small (8) and Mayne; Sele, B. Henry (7), Slocumb (9) and Halteberg, Stanley (8). W—B. Henry, 3-2. L—Groom, 1-2. Sv—Slocumb (16).

Chicago	000 300 000	3	8 0
Detroit	023 000 01x	6	11 0

D.Darwin, McElroy (3), Karchner (7), T. Castillo (8) and Fabregas; Moehler, Miceli (7), M. Myers (7), Brocail (8), To.Jones (9) and Casanova. W—Moehler, 7-8. L—D. Darwin, 4-8. Sv—To.Jones (17). HRs—Detroit, Higginson (16), To.Clark (24).

Kansas City	000 011 000	2	9 0
Minnesota	100 010 10x	3	9 0

Rosada, Olson (7), Carrasco (8) and M.Sweeney; Robertson, Swindell (6), Aguilera (9) and Steinbach. W—Swindell, 6-2. L—Rosada, 7-7. Sv—Aguilera (19). HR—Minnesota, R. Kelly (3).

Baltimore	240 003 000	9	16 0
Texas	000 100 002	3	12 0

Erickson, Rhodes (6), Mills (9) and Webster; Burkett, Gunderson (2), Sturtze (5), Vosberg (7) and I. Rodriguez. H. Mercedes (8). W—Erickson, 12-5. L—Burkett, 7-9. HR—Baltimore, R. Palmeiro (20).

NATIONAL LEAGUE

First Game

Atlanta	100 010 200	4	8 0
Chicago	000 100 000	1	5 0

Maddux and Perez; Gonzalez, Tatis (9), Adams (9) and Servais. W—Maddux, 14-3. L—Gonzalez, 7-3. HR—Atlanta, Tucker (10).

Second Game

Atlanta	000 001 210	4	9 2
Chicago	001 001 21x	5	10 1

Neagle, Cather (7) and Lopez; Mulholland, Wendell (7), Tate (7), Bottenfield (8), Rojas (9) and Servais. W—Bottenfield, 2-2. L—Cather, 0-1. Sv—Rojas (12). HRs—Atlanta, A. Jones 2 (10), Bautista (1).

Florida	001 200 021	6	8 0
Cincinnati	000 001 40x	7	9 0

A.Leiter, Helling (6), F. Heredia (7), Hutton (7) and C. Johnson; Smiley, Remlinger (8), Bellinda (8), Shaw (9) and J. Oliver. W—Smiley, 9-10. L—F. Heredia, 4-1. Sv—Shaw (21). HRs—Florida, Abbott (6), Bonilla (9), Conine (9). Cincinnati, R. Sanders 2 (8), B. Boone (3), M. Kelly (4).

Houston	000 040 000	4	6 0
St. Louis	200 000 000	2	5 1

Hampton, R. Springer (8), B. Wagner (9) and Ausmus; An.Benes, T.J.Mathews (8), Petkovsek (9) and Difelice. W—Hampton, 7-7. L—An.Benes, 6-5. Sv—B. Wagner (18). HR—Houston, De.Bell (7).

Colorado	024 200 100	9	11 19 2
Montreal	213 100 020	9	15 1

Swift, McCurry (6), Dipoto (8), S. Reed (10) and Manwaring; C.Perez, Falteisek (3), M. Valdes (4), Telford (7), Urbina (9), D.Veres (11) and Fletcher. W—S. Reed, 2-4. L—D. Veres, 2-3. HRs—Colorado, Castilla 2 (27). Montreal, H. Rodriguez (20), Segui (9), Fletcher (11).

New York	010 100 100	3	5 0
Los Angeles	011 104 01x	8	11 0

M.Clark, Acevedo (6), Crawford (7) and Pratt; Candiotti, Radinsky (8), Hall (9) and Prince. W—Candiotti, 6-3. L—M. Clark, 7-7. HRs—New York, Huskey (14), Alfonzo (7), Baerga (6). Los Angeles, Mondesi (22), Prince (1), Ashley (6).

Pittsburgh	110 000 000	2	6 1
San Diego	000 000 012	3	11 0

F.Cordova, Rincon (8), Loiselle (9) and Kendall; J.Hamilton, Cunnane (9), Hoffman (9) and Flaherty. W—Hoffman, 4-4. L—Loiselle, 1-2. HR—S.D., G. Vaughn (11).

Philadelphia	100 010 201	5	8 0
San Francisco	000 020 50x	8	11 1

Beech, Spradlin (7), Brewer (7) and Lieberthal; Gardner, Tavarez (8), Poole (9), Beck (9) and B. Johnson. W—Gardner, 11-4. L—Spradlin, 1-6. Sv—Beck (31). HRs—Philadelphia, Jefferies (8), Lieberthal (14). San Francisco, Bonds (25), Kent 2 (22), Snow (14).

JAPANESE LEAGUES

ALL-STAR GAME

Central	000 000 000	0	5 1
Pacific	001 111 01x	5	17 0

Ono (Carp), Yabu (Tigers) (3), Sawazaki (Carp) (5), Tabata (Swallows) (7) and Furuta (Swallows), Tanishige (BayStars) (6); Kudoh (Hawks), Komiyama (Marines) (3), Kohda (Buffaloes) (6), Kawamata (Marines) (7), Kobayashi (BlueWave) (9) and Dojima (Hawks), Itoh (Lions) (5). W—Komiyama 1-0. L—Yabu 0-1. A—28,969. (sk)

BASKETBALL

EUROLEAGUE

Draw for the 1997-1998 EuroLeague men's basketball competition made on Tuesday:

GROUP A
CSKA Moscow, Russia
Efes Pilsen Istanbul, Turkey
Limoges, France
Maccabi Elite Tel Aviv, Israel
Olympiakos, Greece
Real Madrid, Spain

GROUP B
Porto, Portugal
Estudiantes Madrid, Spain
Turk Telekom Ankara, Turkey
Croatia Split, Croatia
Benetton Treviso, Italy
PAOK Salonika, Greece

GROUP C
Partizan Belgrade, Yugoslavia
Pau-Orthez, France
Kinder Bologna, Italy
Hapoel Jerusalem, Israel
Barcelona, Spain
Ulker Spor, Turkey

GROUP D
Alba Berlin, Germany
AEK Athens, Greece
Olimpija Ljubljana, Slovenia
Cibona Zagreb, Croatia
PSG Racing Basket Paris, France
Teamsystem Bologna, Italy

First phase September 18-February 19. Best 4 in each group proceed to next stage with 4 clubs eventually qualifying for the Final Four in Barcelona from April 21-23.

CYCLING

TOUR DE FRANCE

Leading results Wednesday in the 218.5 km (136.1miles) 17th stage from Fribourg, Switzerland to Colmar:

1. Neil Stephens, Australia, Festina, 4 hours, 54 minutes, 38 seconds; 2. Oscar Camenzind, Switzerland, Mapei, 3 seconds behind; 3. Vyacheslav Yekimov, Russia, U.S. Postal Service, same time, 4. Laurent Roux, France, TVM, s.t.; 5. Erik Dekker, Netherlands, Rabobank, s.t.; 6. Javier Rodriguez, Spain, Kelme, s.t.; 7. Bobby Julich, United States, Cofidis, s.t.; 8. Sergei Outschakov, Ukraine, Polti, s.t.; 9. Peter Farazijn, Belgium, Lotto, s.t.; 10. Christophe Mengin, France, FDJ, s.t.

OVERALL: 1. Jan Ullrich, Germany, Telekom, 86:27:46; 2. Richard Virenque, France, 6:22; 3. Marco Pantani, Italy, Mercatone Uno, 10:13; 4. Fernando Escartin, Spain, Kelme, 14:05; 5. Abraham Olano, Spain, Banesto, 16:40; 6. Francesco Casagrande, Italy, Saeco, 17:14; 7. Bjarne Riis, Denmark, Telekom, 18:07; 8. Jose Maria Jimenez, Spain, Banesto, 23:42; 9. Roberto Conti, Italy, Mercatone Uno, 28:20; 10. Laurent Dufaux, Switzerland, Festina, 29:46; 11. Beat Zberg, Switzerland, Mercatone Uno, 31:39; 12. Oscar Camenzind, 32:38; 13. Peter Luttenberger, Austria, Rabobank, 38:16; 14. Manuel Beltran, Spain, Banesto, 43:15; 15. Jean-Cyril Robin, France, U.S. Postal Service, 53:26.

SOCCER

UEFA CUP
PRELIMINARY ROUND, FIRST LEG
GROUP A
Hapoel Petah Tikva 1, Flora Tallinn 0
Dynamo Minsk 1, Kalkheti-1913 Lofi 0
Dnipro Dnipropetrovsk 6, Yerevan 1
Inkaras Kaunas 3, Baby Bme 1
GROUP C
Vojvodina Novi Sad 0, Viking Stavanger 2
GROUP D
Spartak Trnava 1, Birkirkara 0
FK Jablonec 5, Ademi Karabakh 0
Odra Wodzislaw 3, Pobeda Prilep 0
Dougava 1, Vorskla Poltava 3
GROUP E
Lipest & KJ Klaksvik 0
Hit Gorica 2, Otelul Galati 0
EUROPEAN CUP
QUALIFYING ROUND
Neftchi Baku 0, Widzew Lodz 2
FC Kosice 3, Akranes 0
Lantana 0, Jazz Pori 2
Anorthosis Famagusta 3, Karata Skuiliai 0
Dynamo Kiev 2, Barry Town 0
GERMAN LEAGUE CUP
SEMIFINAL
VfB Stuttgart 3, Karlsruhe 0

TRANSITIONS

BASEBALL
AMERICAN LEAGUE
DETROIT—Activated LHP Justin Thompson from 15-day disabled list. Released RHP Jose Bautista.
MINNESOTA—Put RHP Bob Tewksbury on 15-day disabled list. Called up RHP Shane Bowers from Salt Lake City, PCL.
TORONTO—Announced resignation of Paul Beeston, president and chief executive officer.
NATIONAL LEAGUE
ATLANTA—Activated C Javier Lopez from 15-day disabled list. Sent IF Mike Mordecai to Richmond, IL.
CINCINNATI—Assigned C Brook Fordyce to Indianapolis, AA. Activated OF Reggie Sanders off 15-day disabled list. Designated INF Jeff Branson for assignment.
COLORADO—Put SS Walt Weiss on 15-day disabled list. Recalled INF Craig Counsell from Colorado Springs, PCL.
FLORIDA—Sent OF Cliff Floyd to Charlotte, IL on rehabilitation assignment. Activated OF-1B Darren Daulton. Designated LHP Matt Whisenant for assignment.
NEW YORK—Put RHP Armando Reynoso on 15-day disabled list. Recalled INF Shawn Gilbert from Norfolk, IL.
MONTREAL—Optioned LHP Omar Daal to Ottawa, IL. Designated RHP Solomon Torres for assignment. Recalled RHP Steve Falteisek and IF Jose Vidro from Ottawa.
PHILADELPHIA—Traded OF-1B Darren Daulton to Florida for OF Billy McMillon. Assigned McMillon to Scranton-Wilkes Barre, IL. Bought contract of OF Tony Barron from Scranton.

صكذا من الاهل

SPORTS

Maddux Notches No. 14 to Lead NL

Braves' Hurler Throws Only 78 Pitches to Subdue Former Team

The Associated Press

Greg Maddux needed just 78 pitches to beat his former team — the fewest in a complete game in nearly seven years — as the Atlanta Braves beat the Chicago Cubs, 4-1, in the opener of a doubleheader Tuesday.

Maddux (14-3) pitched a five-hitter, needing just 2 hours, 7 minutes to become the National League's first 14-game winner.

"He's a brilliant, brilliant pitcher," Mark Grace of Chicago said of his friend and former teammate. "If my life depended on one game, I'd want him to throw it."

Maddux said, "I think the wind is blowing in every time I pitch here. That helps. It's one of those things."

He looked like the best pitcher of the 1990s in winning the first game, but in the second game, the Braves didn't resemble the NL's best team this decade.

Chicago won, 5-4, scoring the go-ahead run in the eighth on consecutive errors by Jeff Blauser, the shortstop, and Chipper Jones, the third baseman.

"The way we lost the second game put a damper on the day," said Atlanta's manager, Bobby Cox.

Maddux threw 63 strikes. His pitch total, according to Stats Inc., was the lowest in a major-league complete game since Aug. 29, 1990, when Bob Tewksbury threw 76 for St. Louis against Cincinnati.

"I hadn't heard that one," said Maddux, who threw just 86 pitches in beating the New York Yankees earlier this season.

Maddux won his seventh straight decision and is 6-0 against the Cubs, the team he left after the 1992 season, when he won the first of four straight National League Cy Young Awards. In the eighth inning of the second game, Shawon Dunston singled with two outs and Blauser and Jones misplayed grounders by Kevin Orie and Ryne Sandberg; Mike Cather (0-1) took the loss.

Kent Bottenfield (2-2) won the second game despite giving up the second of two homers by Andruw Jones, allowing Atlanta to tie the score 4-4 in the eighth. Danny Bautista also homered for the Braves.

Rockies 11, Expos 9 Colorado scored 11 runs on 19 hits, but still needed 12

BASEBALL ROUNDUP

innings and a home run to win for just the third time in 19 games in July.

The Rockies beat Montreal on Vinny Castilla's second homer of the game, a two-run, two-out shot in the 12th.

Castilla had the first five-hit game of his career, going 5-for-7 with four RBIs, including his 26th and 27th homers.

Dodgers 8, Mets 3 Los Angeles snapped New York's five-game winning streak as Raul Mondesi, Tom Prince and Billy Ashley homered and Tripp Cromer added a three-run double at Dodger Stadium.

Tom Candiotti (6-3) won despite allowing Mets homers by Butch Huskey, Carlos Baerga and Edgardo Alfonzo.

Giants 8, Phillies 5 Jeff Kent put San Francisco ahead in the seventh with his second two-run homer of the game, and J.T. Snow added a three-run shot later in the inning.

Jerry Spradlin (1-6), who failed to retire any of the four batters he faced, gave up Kent's go-ahead homer, his 22d of the season and 100th of his career.

Padres 3, Pirates 2 Greg Vaughn, who homered in the eighth inning as a pinch hitter, won it with a bases-loaded infield single, capping a two-run ninth off Rich Loiselle (1-2).

Francisco Cordova allowed four hits and no runs in 7⅓ innings, but the visiting Pirates could not hold a 2-0 lead.

Astros 4, Cardinals 2 Mike Hampton broke a tie with a two-run single in a four-run fifth as Houston improved to 9-3 since the All-Star break with a victory at St. Louis.

Hampton allowed two runs and five hits in seven innings, and Billy Wagner pitched a perfect ninth for his 18th save for the Astros.

Reds 7, Marlins 6 In Cincinnati, Reggie Sanders returned from a two-month stay on the disabled list by hitting a pair of homers and driving in three runs.

Mike Kelly and Bret Boone also homered as the Reds stopped a four-game losing streak.

In the American League:

Indians 6, Mariners 2 In Cleveland, David Justice broke a tie with a two-run homer in the sixth inning, his 19th homer of the year, as Cleveland beat Seattle.

Orel Hershiser held Seattle hitless for 4⅔ innings before allowing consecutive homers by Russ Davis and Jose Cruz Jr. and leaving the game after five innings with a strained right groin.

Justice, a left-hander hitting .365 against lefties this season, hit a 2-0 pitch from Jeff Fassero deep into the visiting bullpen in right to break a 2-2 tie. It was Cleveland's first homer in 47 innings.

Ken Griffey Jr.'s homerless slump reached a season-high 12 games.

Orioles 9, Rangers 3 Rafael Palmeiro pounded a two-run homer and drove in three runs, and Jeffrey Hammonds went 4-for-5.

Brady Anderson added three hits, including a three-run double. Geronimo Berroa also had three hits as visiting Baltimore battered Texas pitching for 16 hits.

Yankees 9, Angels 2 David Cone (11-4) allowed five hits in 7⅔ shutout innings, sending visiting Anaheim to just its second loss in 14 games.

Pat Kelly hit a three-run homer and Paul O'Neill added a solo shot as the consecutive homers helped the Yankees build a 9-0 lead after five innings.

Red Sox 4, Athletics 3 Jeff Frye broke a 3-3 tie in the eighth at Fenway Park with his third hit of the game after Scott Hatteberg's double off Buddy Groom (1-2). Boston wasted a 3-0 lead before rebounding to win for the sixth time in seven games.

Tigers 6, White Sox 3 Tony Clark hit his 24th homer and Bobby Higginson added his 16th as Detroit took a 5-0 lead at Tiger Stadium.

Rookie Brian Moehler (7-8) allowed three runs and six hits in six innings, walking a season-high five. Todd Jones pitched the ninth for his 17th save.

Blue Jays 5, Brewers 2 Shawn Green hit a go-ahead three-run homer in the seventh at the SkyDome.

With Milwaukee leading 2-1, Cal Eldred (9-10) walked Carlos Delgado leading off the seventh and Ed Sprague singled. Mike Fetters relieved and Green's homer made it 4-2.

Pat Hentgen (10-7) gave up two runs and four hits in 7⅔ innings with six strikeouts, and rookie Kelvim Escobar got three outs for his third save.

Twins 3, Royals 2 Darrin Jackson beat out a potential inning-ending double-play grounder in the seventh to drive in the deciding run at the Metrodome. Minnesota, on its longest winning streak this season, has won seven of eight. Kansas City has lost 18 of 20 overall and nine of its last 10 one-run games.

Greg Swindell (6-2) pitched 2⅓ perfect innings, and Rick Aguilera got three outs for his 19th save.

Jose Rosado (7-7) gave up all three runs and seven hits in 6⅔ innings.

Wilton Guerrero of the Dodgers making a failed grab for home plate as the Mets' catcher tags him out.

Beeston Becomes Baseball's President, Quitting Blue Jays

Los Angeles Times Service

Paul Beeston has resigned as president of the Toronto Blue Jays and accepted major league baseball's newly created position of president and chief operating officer.

Baseball sources said Tuesday that Beeston's hiring would probably prompt the acting commissioner, Bud Selig, the Milwaukee Brewers' owner, to take the position on a permanent basis.

Selig reiterated Tuesday that he was not interested, but he has now been in the interim role for almost five years, and he acknowledged that he was very close to Beeston.

"Paul is an outstanding executive who has maintained excellent personal relationships with just about everyone in the game and is highly respected for his abilities of persuasion and compromise," Selig said.

Beeston, 52, will be in charge of the commissioner's staff in the New York office, starting Aug. 1. His responsibilities will include the Player Relations Committee and Major League Baseball Properties.

The New York office has been rudderless since Fay Vincent's forced resignation as commissioner on Sept. 7, 1992. "We need to build that teamwork in baseball," Beeston said. "I mean, it's clearly the best game, and that's not easy for a Canadian to say."

John Cogill/The Associated Press

Chicago Bears players working out in Dublin for their debut in Ireland.

Bears and Steelers Land in Dublin

The Associated Press

DUBLIN — Some hit the pubs or the golf links, others their beds as the Pittsburgh Steelers and Chicago Bears arrived for the National Football League's first game in Ireland on Sunday.

The 312-strong Steelers' contingent arrived Tuesday morning. About 380 Bears and their supporters had a rougher crossing, facing a lengthy delay over luggage confusion, spending 10 hours in their chartered plane and not arriving until the afternoon.

"The Bears weigh 900,000 pounds when we're traveling," said the team spokesman, Bryan Harlan, who has traveled with the Bears on three previous overseas ventures — to London in 1986, Gothenburg, Sweden, in 1988 and Berlin in 1991. "There's 90 players, 15 coaches, about 40 others affiliated with the team, and most brought their spouses," he said.

Many players from both teams went straight from their shared practice field at University College Dublin to inspect the city's restaurants, pubs and clubs.

"The chance to go to Ireland is just a once-in-a-lifetime experience," said Rick Mirer, who became the Bears' starting quarterback in an offseason trade with the Seattle Seahawks.

"It's a great part of the world, and I know my teammates feel the same way," he said, emphasizing the task at hand. "It's important that we get a lot of work done because we've got so many players. And working against the Steelers will test how far we've come along in the first week of camp."

•

The linebacker Trev Alberts retired Tuesday after three injury-plagued seasons with the Indianapolis Colts. Alberts, who signed a six-year contract

NFL ROUNDUP

valued at $8.15 million in 1994, missed 20 games over three seasons because of a dislocated right elbow, a concussion, a partially dislocated left shoulder and a hamstring injury.

•

Brett Favre said his agent was headed to Green Bay in the hope of wrapping up a contract extension that would make the star quarterback the NFL's highest-paid player. The impending deal is worth between $44 million and $49 million over seven years and includes a signing bonus of more than $10 million.

•

Darrell Russell, the No. 2 overall pick in the April draft, signed a seven-year, $22.05 million contract with Oakland. Russell has $8.325 million in guaranteed payments. The total package, the guaranteed amount and the average of $3.15 million a year are records for a rookie contract, his agent said.

•

Denver's backup quarterback, Bill Musgrave has retired. He played in six games last year, but slipped to fourth on the initial depth chart issued at training camp. "Bill called me last night," said the Bronco's coach, Mike Shanahan. "He's 30 years old and he's fighting for that No. 3 spot and he didn't really know if he was going to be on the team or not. He decided to retire."

•

The Arizona Cardinals' defensive star Simeon Rice was bedridden for a third consecutive day after a painful diagnostic procedure performed Sunday at Flagstaff Regional Medical Center.

•

Philadelphia has signed Jimmie Jones, a free agent defensive linemen who started 14 games for St. Louis last season, to a one-year contract for $500,000. Jones, 31, earned $1.8 million last year with the Rams before falling victim to the salary cap.

•

The offensive tackle Harris Barton pulled himself out San Francisco's workout because of knee soreness and will be sidelined indefinitely. The fullback Marc Edwards, a second-round draft pick from Notre Dame, signed a four-year contract with the 49ers.

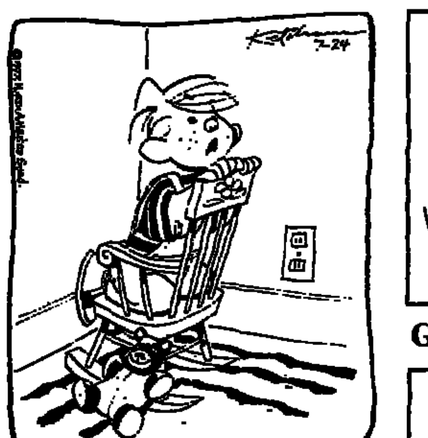
•

Jamie Sharper, Baltimore's top pick in the second round, ended a nine-day holdout by agreeing to a three-year, $1.7 million contract.

•

The Redskins' defensive lineman Chris Mims underwent arthroscopic surgery on his left knee and is expected to be sidelined for two to three weeks.

DENNIS THE MENACE

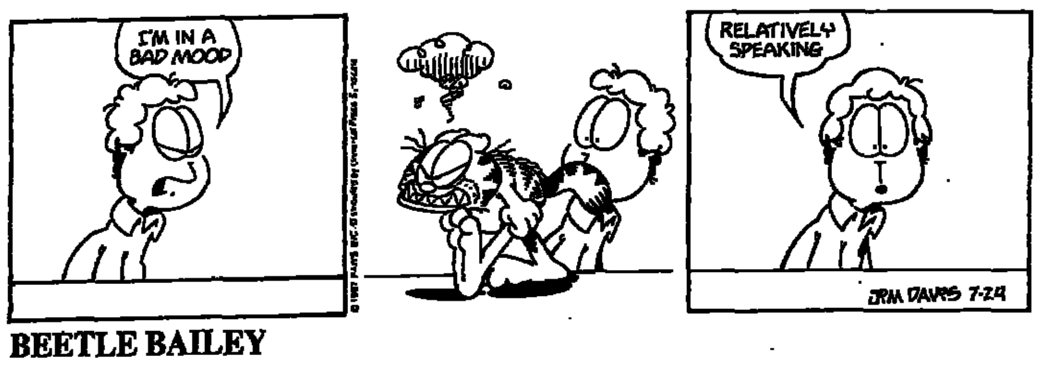


"But sitting in the corner is where I get ideas that get me in trouble."

PEANUTS

CALVIN AND HOBBES

GARFIELD



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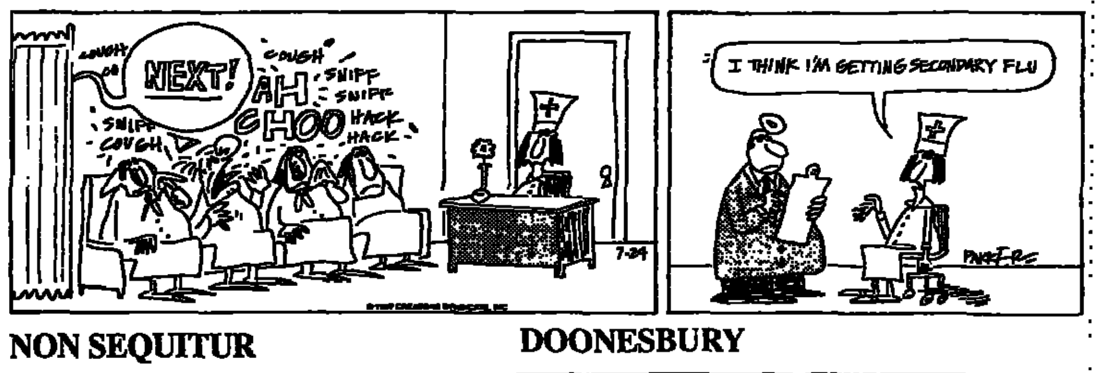


JUMBLE

THAT SCRAMBLED WORD GAME by Henri Arnold and Mike Argirion

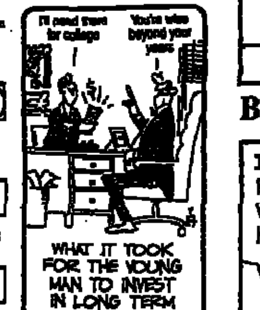
Unscramble these four Jumbles, one letter to each square, to form four ordinary words.

TYJET

MYMUR

AXROTH

INKELT



WHAT IT TOOK FOR THE YOUNG MAN TO INVEST IN LONG TERM BONDS.

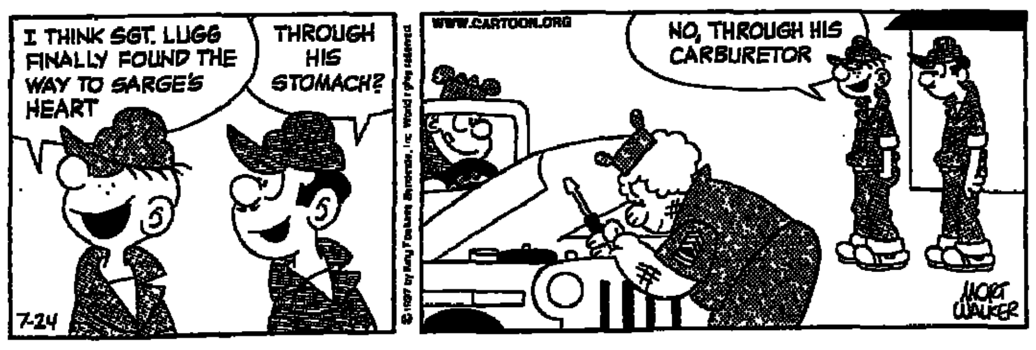
Now arrange the circled letters to form the surprise answer, as suggested by the above cartoon.

Print answer here: ○○○○○○○○

(Answers tomorrow)

Yesterday's | Jumbles: MURKY ENVOY FROTHY NEGATE
Answer: A house as a wedding gift left the new couple – HOME, FREE

BEETLE BAILEY



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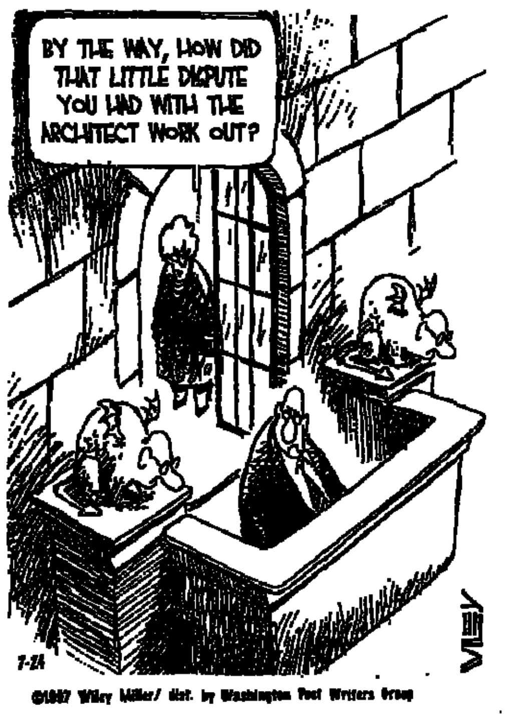

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ART BUCHWALD

The Alpha-Blockers

WASHINGTON — This is how we lined up our chairs on the beach this summer. In the first one sat Alpha Klotz, who had moved up from the end chair which he occupied in 1996.

Alpha is an investor, and last year he made $450 in other people's money. This year the stock market brought him $25 million, and our attitude toward him had changed from contempt to grudging admiration.

Buchwald

Sitting next to Alpha was his lawyer, Bernie. Alpha never made a move without Bernie — they were joined at the hip.

Next to his lawyer sat Fritz, Alpha's trainer. It was Fritz's job to put sunblock on Alpha every 15 minutes and make sure that no flies landed on him.

The rest of the occupants observed and noted everything Alpha said and did in hopes that we could also become super rich and be able to afford someone to apply sunblock for us.

□

The last one down the line was Horace Nobody who had been downsized from the telephone company in April, and, while no one actually mentioned the downsizing, we certainly weren't interested in his opinions on anything.

The highlight of our trip to the beach was the moment Alpha's cell phone rang. His lawyer took out a yellow legal pad, and his trainer gave him a Perrier.

Alpha turned to his lawyer, "It's Ron Perelman. He wants to buy my Monarch Blueplate Corp."

The lawyer said, "What does Monarch do?"

Alpha replied, "How the hell do I know? I only bought it a year ago."

"Are we talking cash?" the lawyer asked.

"A little cash and some subway tokens. I'm going to tell him to stuff it."

I leaned over and said to Friedman, "If he won't sell, does that mean Monarch is a good buy?"

Friedman responded, "You can bet your kid's tuition it's a good buy."

We watched Alpha dial. "Let me speak to Warren Buffett. Well, if he's not there, tell him I'm putting Monarch in play, and he can either become a friendly buyer or I'll never have lunch with him at Wendy's again."

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Friedman said, "Maybe Monarch isn't such a good buy. How can we find out?"

"First we have to know what it makes."

There was talk of going for a swim, but Alpha said, "I can't. I'm waiting on a call from Bill Gates."

This created a murmur all along the line. If Bill Gates was going to call Alpha, we could all be in on the ground floor of a Windows 345.

We dropped the swim idea. The trainer raised Alpha's arms and let them down 10 times.

The phone rang again. The word was on the street that Monarch was up for sale and Ron Perelman was going to bite off Alpha's ear.

Someone asked the question once more, "What does Monarch make?"

Horace Nobody said, "Airbags for truck drivers."

The whole row turned on him and yelled, "Oh, shut up!"

Hanna Schygulla's 2d Act: A Paris-Berlin Voice

By Joan Dupont
International Herald Tribune

AVIGNON, France — She speaks the way she sings, in languid circles that ripple on, reverberating haunted memories and secrets. Hanna Schygulla, 53, says she doesn't have a real voice, "not trained, and I can't read notes, but I thought it was a pity I wasn't a musician, and if it's too late to learn an instrument, you can always use your own instrument." Her own is sensuous, evocative. On stage for an hour and a half, she sings, hums, and murmurs her recital in romantic and ironic flavors of German and French.

Rainer Werner Fassbinder's siren in "Lili Marleen," the blighted heroine of "The Marriage of Maria Braun," Schygulla, the blue-eyed angel-imp, put her stamp on Germany's war-obsessed cinema of the 1970s: "We were the generation after," she says, "we were not directly guilty."

Fassbinder, who made more than 30 films, burned bright and fast, dying at 36. When they met in Munich, he seized upon Schygulla's mobile moon face to inscribe his stories of modern German history.

If he was her Pygmalion, she did not sit for him alone: Wim Wenders, Margarethe Von Trotta, and Volker Schlondorff directed her, as did Carlos Saura, Jean-Luc Godard, Ettore Scola, Marco Ferreri and Andrzej Wajda. Two years ago, she appeared on stage in Klaus Gruber's adaptation of Jorge Semprun's novel on wartime deportation, "L'ecriture ou la vie."

"It's hard to know what to do with that terrible time," she says. "You can't forget it or digest it."

Now that she sees herself as "not a symbol of seduction any more," she feels that after 25 years acting, "It's time to do new things or you lose the habit of doing new things and you get old. I thought about voice because the voice, as you age, gets even more interesting. Faces are interesting too as they age, but not always in a way that you welcome or that others welcome."

Schygulla's songfest has been greeted with enthusiasm from Berlin to Avignon; she will be on stage in Paris in September (at the Bouffes du Nord) with this new recital, "Quel que soit le songe," accompanied by Jean-Marie Senia.

She is not Fassbinder's only leading lady to break into song. Since the '70s, Ingrid Caven — who was married to the director — has made a brilliant career with her slinky Marlene ways and husky voice.

"Hmm," says Schygulla, when the inevitable comparison comes up. "Yes, different." Because La Caven, who also lives in Paris, dresses in Yves Saint Laurent, lies on the piano and leans back into the past with a repertory that is Fassbinderian and nostalgic, whereas with verses more chanted than sung, making each piece into dream-like drama, La Schygulla, in a wine-red Gaultier shift, has invented her own approach.

"I like transformation, to bring together opposites. We are all in constant mutation, and sometimes you get to things that are beautiful, or grotesque; I find that more interesting than taking just one form, like an immutable crystal."

She worked for two years, with Senia, the composer, adapting texts. "I translated and transposed Fassbinder, who is not known as a poet, into French — verses he wrote when he was 13 and little things he used to say, like, 'Why sleep? I can sleep when I'm dead.'" She also distilled texts by Jean-Claude Carriere, Peter Handke, Thomas Bernhard, Witold Gombrowicz, Heiner Muller, and Mark Twain.

"My other pillar of this recital is Jean-Claude Carriere, whom I've known for a long time, a man of savoir vivre, very prolific, from the world of movies and theater. So I had two universes, one black and one white, like a black sun and a white sun."

Schygulla moves back and forth between Paris and Berlin, where last year she conceived an evening's program as a tale of two cities. "They asked me to sing on the themes of Paris and Berlin, so there were songs by Piaf and Marlene."

Schygulla, best known as a movie actress, is breaking into song.

This time, although she sings "Lili Marlene," there are no traditional songs. "The recital is designed on the fine line between reality and fiction, which interests me. The past, all the ages, stay inside you like a tree that has rings: You can see the lines of growth. I've always been fascinated by people who change — it all pops up and you feel the child in them, the adolescent, or the parent." She is struck by how young her German contemporaries seem, as if "there is something in us that doesn't want to become adult, like our parents."

The most ominous song, adapted from Fassbinder and called "Maman oh Maman, donne-moi le couteau," she performs as a devilish child, begging her mother for the knife and, in the end, turning it on herself. "It's from a long poem he wrote in German, a sort of Freudian thing, about cutting the umbilical cord. Fassbinder always said he didn't have a bad childhood, he didn't have any. Since the warm, animal mother-child thing was never fulfilled, he tried to make his mother his buddy, he gave her parts in his movies. But there must have been something very disturbing in this poem for the mother, because only after her death could we use it. As for me and my mother, that's a long story that had unhappy chapters."

Schygulla was born in 1943, not far from Auschwitz, in Poland. The delivery was expected to take place Christmas day, but the doctor gave her mother a shot to delay labor. The mother discovered later that the doctor had performed experiments at the camp. "So something already marked my birth," Schygulla says, "a traumatism from that part of the world — you don't forget Auschwitz."

The family emigrated to Germany, and after university she went to drama school and met Fassbinder. "I had strong feelings that life should be all instinct rather than analyzing, so I dropped out." A couple of years later, Fassbinder's underground group needed an actress to step in quickly. "He remembered me, because at school he had a flash — he saw me as the heroine of all his movies. And I played in over 20 films of his. It's rare," she muses.

When the penniless troupe took to shoplifting, Schygulla with her angelic look was sent to the store to sneak food: "The times were anti-everything, we were against the holy cow of consummation. We had no means so we had to invent; a good stimulus for creativity.

"Since Fassbinder disappeared, I've felt a lack, and now I feel that in order to go new ways, I must not even wish to be solicited — wishful thinking is the beginning of reality. Lack pushed me to be creative, to initiate things. But when I perform, I know it's not just me up there."

Sam Mircovich/Reuters
Jennifer Murray in California with her round-the-world helicopter.

PEOPLE

HE can't tell you why in any detail, but **John Dean** is a happy man these days. He will say that he has reached an out-of-court settlement with St. Martin's Press in a $150 million libel suit over a book that depicted him as the chief villain in the Watergate scandal. "All I can say is that we're satisfied," Dean said, speaking for himself and his wife, **Maureen**. A former White House counsel whose testimony ultimately led to **President Richard Nixon's** resignation, Dean has previously denounced the book as "absolute garbage." A Byzantine piece of revisionism published in 1991, the book, "Silent Coup," depicted Dean as the driving force behind the Watergate break-in and as the backstage architect of the cover-up that followed. The authors, **Len Colodny** and **Robert Gettlin**, contend that Dean orchestrated the 1972 burglary at Democratic National Committee headquarters to protect his future wife, then named Maureen Biner, by removing information linking her to a call-girl ring that worked for the committee. A lawyer for St. Martin's Press, **David Kaye**, confirmed the out-of-court settlement by the publishing house but said its terms were confidential.

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Braving an Arabian sandstorm, a Bangladeshi cyclone and Russian bureacracy, a British pilot landed on time in Torrance, California, en route to becoming the first woman to fly round the world in a helicopter. "We're here on time and on schedule," a beaming **Jennifer Murray** said after stepping from her red chopper at the Torrance airport in suburban Los Angeles. "But we still have another three-and-a-half weeks to go to get back to London." Murray, 56, is a mother of three, with two grandchildren, and has lived for 30 years in Hong Kong. She left England on May 10 with co-pilot **Quentin Smith**. In the 10 weeks since, they have flown their tiny Robinson R-44 across Europe, through the Middle East and India to Southeast Asia, up into Russia, across the Bering Strait to Alaska and down to Torrance. Now they will fly across the United States, up Canada's coast and home.

The British acid-jazz group **Jamiroquai** reaped the most nominations for the annual MTV Video Music Awards, gathering 10 for its video "Virtual Insanity." The experimental pop group **Beck**, hard-rocking **Nine Inch Nails** and the alternative rock band **Smashing Pumpkins** also collected multiple nominations. The nominations were announced at MTV's studio headquarters in New York. The 14th annual awards show will be broadcast Sept. 4 from New York's Radio City Music Hall.

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Jane Pauley says she's a real journalist and would never portray a fictional one on TV or in the movies. "It blurs the line," the "Dateline NBC" anchorwoman told The Philadelphia Inquirer. "Viewers are confused enough about the hair and the makeup and the glamour. We already confuse them so much without crossing the line and suddenly becoming make-believe." Pauley made her position on the issue clear after her former "Today" show partner **Bryant Gumbel** and several CNN journalists appeared as themselves in the current movie "Contact." Pauley, 46, was one of the few real TV newswomen who did not appear in the baby-shower episode of "Murphy Brown."

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Elle Macpherson says she was the victim of a burglary, extortion and now slander by a lawyer who claimed his client was her "boy toy." The actress-supermodel said she did not know the two men — **Michael Mischler**, 29, and **William Ryan Holt**, 26 — who are accused of trying to extort $80,000 from her by threatening to post nude photos of her on the Internet. Mischler's attorney, **Lawrence Young**, was served with a defamation lawsuit filed by Macpherson last week. She said Young's claim that she used his client as a "boy toy" had damaged her reputation. "All of this is completely untrue," an angry Macpherson said. "I have never met Mr. Mischler — and with any luck, I will never, ever, meet Mr. Mischler."

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